

Mr. COFFEE of Washington: Committee on Claims. H. R. 5500. A bill for the relief of the estate of Charles L. Clark; with amendment (Rept. No. 1725). Referred to the Committee of the Whole House.

Mr. SAUTHOFF: Committee on Claims. H. R. 5619. A bill for the relief of certain clerks in the post office at Detroit, Mich.; without amendment (Rept. No. 1726). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 5686. A bill for the relief of Lewis J. and Mary Black; with amendment (Rept. No. 1727). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 5794. A bill for the relief of Mrs. Julia Johnson; with amendment (Rept. No. 1728). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 5845. A bill for the relief of Alvira Manfredi; with amendment (Rept. No. 1729). Referred to the Committee of the Whole House.

Mr. HARRIS of Arkansas: Committee on Claims. H. R. 5977. A bill for the relief of Mr. and Mrs. F. Wilder Temple; with amendment (Rept. No. 1730). Referred to the Committee of the Whole House.

Mr. KLEIN: Committee on Claims. H. R. 6063. A bill for the relief of the Clark County Lumber Co.; with amendment (Rept. No. 1731). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. H. CARL ANDERSEN:

H. R. 6512. A bill to provide protection to all persons in the active military or naval forces of the United States in the nature of group insurance by issuance of a policy of National Service Life Insurance in the amount of \$5,000, premiums to be paid by the Government during active war service, and for other purposes; to the Committee on Ways and Means.

By Mr. SMITH of Ohio:

H. R. 6513. A bill to amend further the Civil Service Retirement Act of May 29, 1930; to the Committee on the Civil Service.

By Mr. VINSON of Georgia:

H. R. 6514. A bill to provide for the inspection of books, records, and other writings of contractors in certain cases; to the Committee on Naval Affairs.

By Mr. O'CONNOR:

H. R. 6515. A bill providing for the suspension of annual assessment work on mining claims held by location in the United States; to the Committee on Mines and Mining.

By Mr. FORAND:

H. R. 6516. A bill to extend the provisions of the District of Columbia Rent Act to private garages and spaces in public garages; to the Committee on the District of Columbia.

By Mr. RANKIN of Mississippi:

H. R. 6517. A bill to provide for investigations by the Bureau of Mines to determine the availability of certain low-grade bauxite for production of alumina; to the Committee on Mines and Mining.

By Mr. BLOOM:

H. J. Res. 276. Joint resolution to authorize the President of the United States to render financial aid to China, and for other purposes; to the Committee on Foreign Affairs.

By Mr. COX:

H. Res. 426. Resolution authorizing an investigation of the organization, personnel, and activities of the Federal Communications Commission; to the Committee on Rules.

LXXXVIII—60

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the old-age security law; to the Committee on Ways and Means.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRADLEY of Pennsylvania:

H. R. 6518. A bill for the relief of Benjamin Franklin; to the Committee on Naval Affairs.

By Mr. MANSFIELD:

H. R. 6519. A bill for the relief of Jesse M. Knowles; to the Committee on Claims.

By Mr. MCGREGOR:

H. R. 6520. A bill for the relief of Jane A. Thornton; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2355. By Mr. ENGEL: Resolution of the United Council of Veterans' Organizations of Muskegon County, Mich., by its adjutant, Earle J. Hewitt, protesting against the appointment of Dean Landis as director of national civilian defense; also the council urges that someone be named in his place who is known to be 100-percent American; to the Committee on Military Affairs.

2356. By Mr. FITZPATRICK: Memorial of the Legislature of the State of New York, respectfully requesting the President of the United States and all responsible Federal officials to give careful consideration to the manifold qualifications which make the city and State of New York a desirable place for the relocation of Federal Government agencies removed from Washington, D. C., and to make such selection wherever appropriate and possible; to the Committee on Public Buildings and Grounds.

2357. By Mr. LUTHER A. JOHNSON: Petition of Mrs. A. C. Schandies and 15 other citizens of Rosebud, Tex., opposing the manufacture and sale of alcoholic beverages during the period of the war; to the Committee on the Judiciary.

2358. By Mr. KEOGH: Petition of the Midtown Civic League of Brooklyn, N. Y., concerning universal fingerprinting; to the Committee on the Judiciary.

2359. By Mrs. NORTON: Petition of the Legislature of the State of New Jersey, memorializing the Congress of the United States to refuse to enact any legislation which would destroy the rights of the State of New Jersey in its administration of the State unemployment compensation system; to the Committee on Ways and Means.

2360. By Mr. ROLPH: Resolution of the Board of Supervisors of the City and County of San Francisco, memorializing Congress to immediately insure complete protection for the Pacific coast, Resolution No. 2383 (series of 1939); to the Committee on Military Affairs.

2361. By the SPEAKER: Petition of the commander in chief, United Spanish War Veterans, petitioning consideration of their resolution with reference to additional appropriations for Spanish-American War veterans, their widows, or dependents; to the Committee on Pensions.

## SENATE

TUESDAY, FEBRUARY 3, 1942

(Legislative day of Monday, February 2, 1942)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, the Very Reverend Z. Barney T. Phillips, D. D., offered the following prayer:

O Thou, who art the same yesterday, today, and forever, who art both our present dwelling-place and the distant city of our habitation, who thinkest in us, though oftentimes unsought, beautiful thoughts creating a divine surprise: We humbly ask that Thou wouldst now direct our thinking out of unworthy meditation into the realm where high and holy purpose dwells.

If our thoughts prove barren and unfruitful, open Thou the windows of our mind for the entry of those cleansing and reviving airs that shall touch them with some kindling breath of holy aspiration.

Grant that the words which we utter here, and elsewhere, may be words that breathe the spirit of the Master and may continue to be heard so long as the spirit of the human race feels the need of companionship along the upward way. In our dear Redeemer's Name, we ask it. Amen.

#### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, February 2, 1942, was dispensed with, and the Journal was approved.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 294. An act to authorize an appropriation for payment to the Middle Rio Grande Conservancy District of construction costs assessed against certain lands within such district acquired by the United States for the benefit of certain Indians in the State of New Mexico;

S. 828. An act to increase the period for which leases may be made of public lands granted to the State of Idaho for educational purposes by the act of July 3, 1890;

S. 1045. An act to increase the earnings of the United States Government Life Insurance fund and the National Service Life Insurance fund by expediting the investment of the moneys thereof, and for other purposes;

S. 1412. An act to amend the act of June 11, 1940 (Public No. 590, 76th Cong., 3d sess.), providing for the relief of Indians who have paid taxes on allotted land;

S. 1889. An act authorizing the Administrator of Veterans' Affairs to grant an easement for highway purposes to the county of Macon, Ala., in a strip of land located at Veterans' Administration facility, Tuskegee, Ala.;

S. 2012. An act authorizing the Administrator of Veterans' Affairs to grant an easement in certain lands of the Veterans' Administration facility, Togus, Maine, to the State of Maine for road-widening purposes;

S. 2080. An act authorizing the Administrator of Veterans' Affairs to grant an easement in certain lands of the Veterans' Administration facility, Murfreesboro, Tenn., to Rutherford County, Tenn., for highway purposes; and

S. 2217. An act to authorize the attendance of personnel of the Army of the United States as students at educational institutions and other places.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4321. An act for the benefit of the Chippewa Indians of Minnesota;

H. R. 4812. An act further to define the powers of a district judge in certain suits;

H. R. 6005. An act to authorize cases under the Expediting Act of February 11, 1903, to be heard and determined by courts constituted in the same manner as courts constituted to hear and determine cases involving the constitutionality of acts of Congress;

H. R. 6072. An act authorizing the States of Arizona and California, jointly or separately, to construct, maintain, and operate a free highway bridge across the Colorado River at or near Needles, Calif.;

H. R. 6291. An act to amend the Merchant Marine Act, 1936, as amended, to provide for the coordination of the forwarding and similar servicing of water-borne export and import foreign commerce of the United States; and

H. R. 6332. An act to revise the boundaries of the Chickamauga-Chattanooga National Military Park in the States of Georgia and Tennessee.

#### CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Glass	Pepper
Austin	Green	Radeliffe
Bailey	Guffey	Reed
Ball	Gurney	Reynolds
Bankhead	Hayden	Rosier
Barkley	Herring	Russell
Bilbo	Hill	Schwartz
Bone	Holman	Shipstead
Brewster	Hughes	Smathers
Brooks	Johnson, Calif.	Smith
Bulow	Johnson, Colo.	Stewart
Bunker	Kilgore	Taft
Burton	La Follette	Thomas, Idaho
Butler	Langer	Thomas, Okla.
Byrd	Lee	Thomas, Utah
Capper	Lucas	Tobey
Caraway	McFarland	Truman
Chandler	McKellar	Tunnell
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Wallgren
Downey	Murdoch	Walsh
Doxey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Mahoney	Willis
Gillette	Overton	

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Michigan [Mr. BROWN], the Senator from Nevada [Mr. McCARRAN], the Senator from Texas [Mr. O'DANIEL], and the Senator from Arkansas [Mr. SPENCER] are necessarily absent.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent in a hospital because of a hip injury.

The Senator from New Jersey [Mr. BARBOUR] is absent on official business.

The Senator from Pennsylvania [Mr. DAVIS] is absent on business of the Senate.

The Senator from Massachusetts [Mr. LODGE] is necessarily absent.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

#### OVERTIME PAY FOR CERTAIN EMPLOYEES OF NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2112) authorizing overtime pay for certain employees of the National Advisory Committee for Aeronautics, which was, on page 1, line 6, after the word "paid", to insert "hereafter."

Mr. REYNOLDS. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

#### PROTECTION OF INDIAN TRIBAL ORGANIZATIONS

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation for the protection of Indian tribal organizations (with an accompanying paper); to the Committee on Indian Affairs.

#### REPORT OF MIGRATORY BIRD CONSERVATION COMMISSION

A letter from the Secretary of the Interior, Chairman of the Migratory Bird Conservation Commission, transmitting, pursuant to law, the report of the Migratory Bird Conservation Commission for the fiscal year ended June 30, 1941 (with an accompanying report); to the Committee on Agriculture and Forestry.

#### REPORTS OF THE NATIONAL LABOR RELATIONS BOARD

A letter from the Chairman of the National Labor Relations Board, transmitting, pursuant to law, the sixth annual report of the Board for the fiscal year ended June 30, 1941, together with a list of the names, salaries, and duties of all employees and officers of the Board on June 30, 1941, etc. (with accompanying papers); to the Committee on Education and Labor.

#### DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of War (6), and Labor, and the Federal Security Agency (Social Security Board), which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

#### PROHIBITION OF LIQUOR SALES AND THE SUPPRESSION OF VICE AROUND MILITARY CAMPS—PETITIONS

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to present for

appropriate disposition certain petitions which have been sent to me by Repeal Associates. I ask that one of the petitions may be printed in the RECORD without the names attached, and that the petitions may lie on the table.

There being no objection, the petitions were ordered to lie on the table, and one of the petitions was ordered to be printed in the RECORD without the names attached, as follows:

#### To the Congress of the United States:

Whereas certain bills (notably S. 860 and H. R. 4000) have been introduced into Congress, "To provide for the common defense in relation to the sale of alcoholic liquors to members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments"; and

Whereas military authorities now possess all necessary power to control the sale of alcoholic beverages to members of the land and naval forces; and

Whereas certain sections of these bills are, we believe, unconstitutional; and

Whereas the control of alcoholic beverages and the control of prostitution are unrelated, and therefore ought not to be combined in one piece of legislation; and

Whereas we believe the enactment of these bills into law would establish an unwise and dangerous precedent, and would be opposed to the general welfare of citizens of the several States and obstructive to the common defense of the United States:

We, the undersigned, citizens of —, respectfully request that these bills be reported unfavorably.

#### REPORTS OF A COMMITTEE

The following reports of the Committee on Indian Affairs were submitted:

#### By Mr. THOMAS of Oklahoma:

S. 2110. A bill for the relief of certain individuals in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho; without amendment (Rept. No. 1015);

H. R. 3539. A bill to provide for the deposit and expenditure of various revenues collected at schools and hospitals operated by the Indian Service in Alaska; without amendment (Rept. No. 1013); and

H. R. 3542. A bill to authorize the purchase from appropriations made for the Indian Service of supplies and materials for resale to natives, native cooperative associations, and Indian Service employees stationed in Alaska; without amendment (Rept. No. 1014).

#### ADDITIONAL COPIES OF REPORT OF PEARL HARBOR INVESTIGATING COMMISSION

Mr. HAYDEN. Mr. President, from the Committee on Printing I report back favorably without amendment Senate Concurrent Resolution 25 and ask unanimous consent for its present consideration.

There being no objection, the concurrent resolution (S. Con. Res. 25), submitted by Mr. HAYDEN on the 29th ultimo, was read, considered by unanimous consent, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring). That there be printed 37,500 additional copies of Senate Document No. 159, Report of the Commission Appointed by the President of the United States to Investigate and Report the Facts Relating to the Attack Made by Japanese Armed Forces Upon Pearl Harbor, in the Territory of Hawaii, on December 7, 1941, of which 8,000 copies shall be for the use of the Senate, 2,000 for the use of the Senate



document room, 24,500 copies for the use of the House, and 3,000 copies for the use of the House document room.

#### BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HILL:

S. 2240. A bill to establish a Women's Army Auxiliary Corps for service with the Army of the United States; to the Committee on Military Affairs.

By Mr. LEE:

S. 2241. A bill to enable persons who are unemployed as a result of the effect of the war upon employment conditions to be appointed to positions in the classified civil service upon passing noncompetitive examinations; to the Committee on Civil Service.

Mr. BYRD (for himself, Mr. BAILEY, Mr. BURTON, and Mr. JOHNSON of Colorado) introduced Senate bill 2242, which was referred to the Committee on Civil Service and appears under a separate heading.

By Mr. BAILEY:

S. J. Res. 130. Joint resolution to extend and amend certain emergency laws relating to the merchant marine, and for other purposes; to the Committee on Commerce.

Mr. PEPPER. Mr. President, I ask unanimous consent to introduce at this time a joint resolution and request that it be referred to the Committee on Education and Labor which has dealt with a similar subject.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

By Mr. PEPPER:

S. J. Res. 131. Joint resolution appointing a joint committee of the Congress to make a study of war and post-war problems; to the Committee on Education and Labor.

#### AMENDMENT OF CIVIL SERVICE RETIREMENT ACT—EXCLUSION OF ANNUITY BENEFITS TO ELECTIVE OFFICERS

Mr. BYRD. Mr. President, I ask unanimous consent, on behalf of the Senator from North Carolina [Mr. BAILEY], the Senator from Ohio [Mr. BURTON], and the Senator from Colorado [Mr. JOHNSON] to introduce for appropriate reference a bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, for the purpose of making elective officers ineligible to receive annuity benefit payments under such act. The purpose of the bill is to repeal that section of the Retirement Act which granted congressional pensions. At a very early time the Senator from Virginia will take occasion to go into the matter fully.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred.

The bill (S. 2242) to amend the Civil Service Retirement Act of May 29, 1930, as amended, for the purpose of making elective officers ineligible to receive annuity benefits under such act, was read twice by its title and referred to the Committee on Civil Service.

#### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 4321. An act for the benefit of the Chippewa Indians of Minnesota; to the Committee on Indian Affairs.

H. R. 4812. An act further to define the powers of a district judge in certain suits; and

H. R. 6005. An act to authorize cases under the Expediting Act of February 11, 1903, to be heard and determined by courts constituted in the same manner as courts constituted to hear and determine cases involving the constitutionality of acts of Congress; to the Committee on the Judiciary.

H. R. 6072. An act authorizing the States of Arizona and California, jointly or separately, to construct, maintain, and operate a free highway bridge across the Colorado River at or near Needles, Calif.; and

H. R. 6291. An act to amend the Merchant Marine Act, 1936, as amended, to provide for the coordination of the forwarding and similar servicing of water-borne export and import foreign commerce of the United States; to the Committee on Commerce.

H. R. 6332. An act to revise the boundaries of the Chickamauga-Chattanooga National Military Park in the States of Georgia and Tennessee; to the Committee on Public Lands and Surveys.

#### STUDY OF ADMINISTRATION OF THE DEFENSE PROGRAM

Mr. KILGORE. Mr. President, I have here a very detailed study of the legislative and executive background of the defense set-up of the United States at the present time, prepared by the Legislative Reference Service of the Library of Congress. I ask to have the material referred to the Committee on Printing for estimate with a view to having it printed as a document.

The VICE PRESIDENT. The material will be so referred.

#### ADDRESS BY SENATOR WILEY BEFORE KNIGHTS OF PYTHIAS, MILWAUKEE, WIS.

[Mr. WILEY asked and obtained leave to have printed in the Record an address delivered by him on January 30, 1942, before the Knights of Pythias at Milwaukee, Wis., which appears in the Appendix.]

#### IDENTIFICATION OF ALIEN ENEMIES— ADDRESS BY ATTORNEY GENERAL BIDDLE

[Mr. VAN NUYS asked and obtained leave to have printed in the Record a radio address delivered on February 1, 1942, by Hon. Francis Biddle, Attorney General of the United States, on the subject Identification of Alien Enemies, which appears in the Appendix.]

#### ADDRESS BY EDWARD J. FLYNN ON PARTY DUTY IN WARTIME

[Mr. GUFFEY asked and obtained leave to have printed in the Record a radio address on the subject Party Duty in Wartime, delivered by Edward J. Flynn, chairman of the Democratic National Committee, on February 2, 1942, which appears in the Appendix.]

#### ADDRESS BY MRS. JOHN L. WHITEHURST BEFORE NATIONAL DEFENSE FORUM

[Mr. MURRAY asked and obtained leave to have printed in the Record an address delivered by Mrs. John L. Whitehurst, president of the General Federation of Women's Clubs, at the board of directors' meeting and national defense forum of that organization on January 23, 1942, at the Mayflower Hotel, Washington, D. C., which appears in the Appendix.]

#### LIVESTOCK IN A WORLD AT WAR AND AFTER—ADDRESS BY E. W. SHEETS

[Mr. TOBEY asked and obtained leave to have printed in the Record an address on

the subject of Livestock in a World at War and After, delivered on January 27, 1942, at Concord, N. H., by E. W. Sheets, secretary of the United States Livestock Association, which appears in the Appendix.]

#### PLACE OF SMALL BUSINESS MAN IN NATIONAL ECONOMY—LETTER FROM DONALD M. NELSON

[Mr. WILEY asked and obtained leave to have printed in the Record a letter to him from Donald M. Nelson, chairman of the War Production Board, on the place of the small business man in the national economy, which appears in the Appendix.]

#### CLARENCE BUDINGTON KELLAND

[Mr. GUFFEY asked and obtained leave to have printed in the Record an article from the New Republic of January 26, 1942, entitled "The G. O. P.'s Second Childhood," and a list of writings of Clarence Budington Kelland, which appear in the Appendix.]

#### WOODROW WILSON'S IDEALISM IN THE POST-WAR PERIOD—ESSAY BY JOSEPH CARUSO

[Mr. SMATHERS asked and obtained leave to have printed in the Record an essay by Joseph Caruso, a student in the Woodrow Wilson High School, of Camden, N. J., entitled "Woodrow Wilson's Idealism in the Post-War Period," which appears in the Appendix.]

#### NEBRASKA: A PUBLIC POWER EMPIRE— ARTICLE BY IRVING GREENE

[Mr. NORRIS asked and obtained leave to have printed in the Record an article by Irving Greene, published in the Omaha Sunday World-Herald Magazine of January 25, 1942, entitled "Nebraska: A Public Power Empire," which appears in the Appendix.]

#### REPORT BY HARRY SLATTERY ON R. E. A. AIDS TO WAR EFFORT

[Mr. NORRIS asked and obtained leave to have printed in the Record a press release issued by Harry Slattery, Administrator of the Rural Electrification Administration, entitled "Slattery's Report Cites R. E. A. Aids to War Effort," which appears in the Appendix.]

#### JAMES A. FARLEY—EDITORIALS FROM WINSTON-SALEM JOURNAL AND CO- LUMBUS (NEBR.) DAILY TELEGRAM

[Mr. BAILEY asked and obtained leave to have printed in the Record editorials from the Winston-Salem (N. C.) Journal and the Columbus (Nebr.) Daily Telegram with relation to Hon. James A. Farley, which appear in the Appendix.]

#### SPIRITUAL BOND OF THE AMERICAS— ARTICLE BY DR. JOSEPH F. THORNING

[Mr. RADCLIFFE asked and obtained leave to have printed in the Record an article entitled "Spiritual Bond and the Americas," written by Dr. Joseph F. Thorning, professor of sociology at Mount St. Marys College, Emmitsburg, Md., and printed in the magazine The Sign, of the issue of February 1942, which appears in the Appendix.]

#### WE WILL WIN—ARTICLE BY SOTERIOS NICHOLSON

[Mr. RADCLIFFE asked and obtained leave to have printed in the Record an article entitled "We Will Win," written by Soterios Nicholson and published in the California Greek newspaper of the issue of December 26, 1941, which appears in the Appendix.]

#### WIRE-TAPPING LEGISLATION AND THE PEARL HARBOR ATTACK

Mr. TRUMAN. Mr. President, certain misconceptions have arisen with the result that most unjust criticism has been

leveled at one of the distinguished Members of this body. As chairman of a subcommittee of the Senate I have been especially close to the subject matter of the criticism, and have sufficient knowledge of the record to know that the criticism is wholly unjustified. I have assembled the facts in as brief form as practicable, and desire to place them before the Senate.

It has been charged that the senior Senator from Montana [Mr. WHEELER], as chairman of the Senate Committee on Interstate Commerce, has prevented enactment of a law to authorize the tapping of the wires of spies, and that if he had not done so the Japanese could not have surprised our forces at Pearl Harbor on December 7, 1941. A perusal of the official records will show that this charge is not tenable. The facts will show that the chairman of the Interstate Commerce Committee has not obstructed the passage of a bill to authorize the tapping of the wires of spies. The facts will also show that the surprise attack on Hawaii was in no respect due to the unwillingness of Congress to pass a law authorizing wire tapping, and in no respect could have been avoided if Congress had passed such a law.

Now, as to the official record on wire-tapping legislation, I shall first take up what occurred on this subject in the present Congress, beginning with the year 1941.

In January 1941 a bill was introduced in the House to authorize the tapping of wires. This bill was defeated in the House on June 30, 1941. No bill was introduced in the Senate. Nevertheless, with the concurrence of the chairman of the Senate Committee on Interstate Commerce, on April 22, 1941, I offered a resolution providing that an appropriate standing committee of the Senate should be directed to study wire tapping. The resolution was referred by the Vice President to the Senate Committee on Interstate Commerce.

The Senator from Montana appointed a subcommittee to take up the whole subject of wire tapping, and to consider any wire-tapping bill which might later come before the Senate. He appointed to the subcommittee the senior Senator from Kentucky [Mr. BARKLEY], the senior Senator from New York [Mr. WAGNER], the senior Senator from Vermont [Mr. AUSTIN], the senior Senator from Minnesota [Mr. SHIPSTEAD], the junior Senator from Idaho [Mr. CLARK], the junior Senator from New Hampshire [Mr. TOBEY], and myself. The Senator from Montana designated me as chairman of the subcommittee.

Thus, of the seven members he appointed to the subcommittee, four were staunch supporters of President Roosevelt's foreign policy. He named the majority leader of the Senate and the assistant minority leader of the Senate, who have been in the forefront of the debates in support of the President's foreign policy. Among others put on the subcommittee was also the distinguished senior Senator from New York [Mr. WAGNER], chairman of one of the most important committees of the Senate, and long known as a staunch supporter of the

President, both in foreign and in domestic policies. How could the Senator from Montana have evidenced more clearly that he thought wire tapping should be considered on its merits? It was in the same spirit that he named as chairman of this subcommittee a supporter of the President's foreign policy.

I promptly convened a meeting of the subcommittee. We called before us the representative of the Department of Justice who had spoken for the Department at the hearings on the wire-tapping bill before the House committee. We gave him the fullest opportunity for a complete exposition of the subject of wire tapping, and of his reasons in support of a wire-tapping bill. Thereafter no bill on wire tapping was introduced in the Senate, and it was some time before the House took up a bill which was pending in that body.

Furthermore, reports came to individual Senators of some of the testimony presented to the House committee. These reports emphasized the need for care in considering this kind of legislation. We heard, for example, that important witnesses before the House committee had testified that wire tapping might endanger national defense, might hurt workers' morale, and thus interfere with maximum production. We were in no position to say whether these views were right or wrong, but they convinced me that we should not telescope the usual legislative procedure.

Finally, word came to various members of our subcommittee that many labor organizations had appeared before the House committee in opposition to the wire-tapping bill. They asserted that such a power would be used more against labor than against spies. We also were told that evidence was presented that the head of one of the most important investigating agencies in the Federal Government had formally stated that wire tapping is inefficient, does not bring satisfactory results, and is undesirable; and that such statements were made by him many months after the beginning of the European war, and after his organization had been charged with the duty of combating the fifth column, foreign spies, and saboteurs. At the same time we heard that there was much testimony on the other side of the question.

The Senator from Montana never tried to ascertain from any member of the subcommittee what his views were on the subject of wire tapping. The Senator from Montana never tried to persuade any member of the subcommittee to come out either for or against a wire-tapping bill. The Senator from Montana scrupulously left that to our subcommittee, which, I cannot repeat too often, had as a majority of its members Senators who disagreed with the views of the Senator from Montana on foreign policy.

This is the record in Congress on wire-tapping legislation in the year 1941. The subcommittee is still in existence, it is still ready to consider any bill on this subject which may be introduced in the Senate or which may come from the House.

In short, the record on wire-tapping legislation shows that the Senator from

Montana was scrupulously fair. Any suggestion that he was using the wire-tapping issue to help him in his struggle over foreign policy is unfounded. He proceeded fairly and squarely, as the chairman of any committee of the Senate would do.

Let us look at the record a little farther back. The present law on the subject of wire tapping is to be found in a statute which was enacted in 1934, the Federal Communications Act. This act was the result of an administration bill, as Representative BANKHEAD made clear when the bill came before the House. It was a carefully drawn bill, as Senator DILL, of the State of Washington, the chairman of the Senate Committee on Interstate Commerce, stated when the bill came before the Senate. At that time the senior Senator from Montana was a member but not chairman of the Senate Interstate Commerce Committee.

The provision of the law which deals with wire tapping appeared in the very first draft of the bill which was introduced in the Senate in 1934, and this particular section of the bill remained unchanged throughout the legislative proceedings, from the introduction of the bill to its enactment into law.

Subsequently, in 1938, one of the departments of the Government desired to have the power to tap wires. The senior Senator from Montana was then chairman of the Senate Committee on Interstate Commerce. Assuming that the bill was an administration measure, he personally introduced it. It was sent to his committee for consideration; it was favorably reported by the committee as a more or less routine matter, and, without much discussion, passed the Senate. However, the bill passed the House in a somewhat different form. The session was coming to an end, and the bill failed of passage by reason of the differences between the Senate and House versions.

Let me point out here that at the last moment a distinguished Member of this body who had been unavoidably absent from Washington got in touch with the Senator from Montana to object to any bill which would authorize wire tapping. The absent Senator, a staunch supporter of the President's foreign policy, set forth various dangers which, in his view, would flow from such legislation. I mention this because 3 years later, in 1941, President Roosevelt himself, in a public letter to Representative ELLIOT of Massachusetts, made clear his view that wire tapping for ordinary peacetime criminal detection purposes is undesirable. Nevertheless, the Senator from Montana had sought to carry out the desires of an administration agency.

Mr. LUCAS. Mr. President, perhaps the Senator has already stated, but what happened to the bill after it came back from the House?

Mr. TRUMAN. There were two versions of the bill, which were not reconciled.

The subject next arose in the year 1940. Early in the year the Senator from Rhode Island [Mr. GREEN] submitted a resolution providing for an investigation of wire tapping. He pointed out that wire tapping had been used for political purposes. The resolution was referred to



the Senate Committee on Interstate Commerce, and the senior Senator from Montana appointed a subcommittee to conduct an investigation. In this instance also he abstained from taking any part in the investigation, not appointing himself chairman or a member of the subcommittee. In reporting the resolution favorably for the consideration of the Senate, the Committee on Interstate Commerce disapproved the use of wire tapping for political or other purposes, and criticized the abuses connected with it when it is used in crime detection. This report followed the line taken by J. Edgar Hoover, who a month earlier had condemned wire tapping in the broadest language. The Senate Interstate Commerce Committee anticipated, this time by approximately a year, the view later publicly expressed by the President on the undesirability of wire tapping.

Thereafter a bill to authorize wire tapping passed the House, but it came to the Senate when the legislative year was well along, when many Senators were absent, and when further pressing matters of a far more serious nature were occupying the time of those Senators who were in Washington. No action was taken on the bill by the Senate at that time. To avoid a similar contingency, a few months later, early in 1941, the senior Senator from Montana appointed a subcommittee to be ready to act if any bill on the subject should come before the Senate.

I have given the record on the subject from 1934 to date. No fair-minded person can level any criticism at the senior Senator from Montana [Mr. WHEELER] by reason of the fact that there is no legislation on the statute books affirmatively authorizing wire tapping. The critics base their claim on two contentions, both of which have to be proved in order to support their attack on the Senator from Montana. Neither of the two statements is true. I have already discussed the first, that the senior Senator from Montana stopped wire-tapping legislation.

The second claim is that in the absence of legislation permitting wire tapping, the Japanese communications between Hawaii and Japan could not be tapped, and therefore the plan for a surprise assault on Pearl Harbor could not be detected in advance. A perusal of the record will show the second claim to be without foundation in fact.

Anyone acquainted with the record must conclude that in fact the intelligence and investigative services of the Federal Government resorted to wire tapping in Hawaii, a long time before the attack on Pearl Harbor. If there was any failure to catch the Japanese spies and to ascertain the plan for a surprise attack, the failure was not due to any restraints imposed on our detectives. On the contrary, a study of the record will show that wire tapping and interception of messages were fully practiced prior to the attack on Pearl Harbor—just as fully as if there had been a law which said in express words to the investigative agencies of the Government, "Go out and wire tap as much as you can."

In the first place, the Department of Justice definitely took the position that under the present law as it now stands, wire tapping as such is not unlawful. I refer to begin with to a letter formally sent by the Department of Justice to a committee of the House of Representatives on March 19, 1941. In this letter the Department said:

There is no Federal statute that prohibits or punishes wire tapping alone. The only offense under the present law is to "intercept any communication and divulge or publish" the same. Any person, with no risk of penalty, may tap telephone wires and eavesdrop on his competitor, employer, workman, or others and act upon what he hears or make any use of it that does not involve divulging or publication. \* \* \* The courts do not stop people from tapping wires—no one has ever been or under present law could be convicted of that by itself. What has been stopped is the use of the evidence to enforce the laws against criminals.

Attorney General Jackson wrote that letter.

Subsequently, on October 8, 1941, Attorney General Biddle expressed a similar opinion on the subject. I now quote from the report of an interview with him as published in the New York Times for October 9, 1941:

The present law contains no barriers against tapping wires, the ban being against use of evidence thus obtained. "The question is," Mr. Biddle commented, "what is meant by 'divulge and publish.'" I cannot think that by these words Congress intended to prevent an agent tapping wires in an espionage case and reporting to his superiors.

Furthermore, the Attorney General told the press that he intended to follow the policy of permitting wire tapping. The subject can also be read in the report contained in the Washington Post for October 9, 1941.

There is considerable to show that the agents of the Department of Justice proceeded in accordance with the view laid down by the two Attorneys General who spoke on the subject in 1941. I refer to a formal official report by a presiding inspector of the Department of Justice, in which he says, on the basis of affidavits submitted to him, the agents of the Department of Justice deemed it lawful to tap the wires and actually did tap the wires of a labor leader and overheard the telephone conversations of labor leaders by that method. This report was made late in 1941 and refers to an incident in the summer of 1941. That incident deals with matters not related to national defense or spies.

I now turn to a newspaper report of January 29, 1942, which shows that the agents of the Government deemed it lawful to tap the wires and intercept the messages of spies, and in particular of spies operating in Hawaii prior to the attack on Pearl Harbor. The article was published in various newspapers throughout the country as a dispatch of the United Press, and was published in the Washington Times-Herald under the name of the reporter who wrote the article, Mr. Fred Mullen. The article refers in particular to a radio-telephone conversation which was intercepted by

the Federal agents on December 5, 1941, 2 days before the attack on Pearl Harbor. Here are extracts from the article:

It is understood that the Federal Bureau of Investigation intercepted a single radio-telephone conversation on that day and interpreted it as indicating the possibility of a Japanese attack on United States territory.

The warning was based, the United Press was told, upon a 20-minute telephone conversation between Japanese in Honolulu and Tokyo December 5 to which Federal Bureau of Investigation agents were able to listen. They achieved the telephone tap less than 48 hours before the Pacific land, sea, and air base in Hawaii was surprised and severely damaged by Japanese airmen.

Though most of the conversation between the unnamed Japanese and his superior in Tokyo was "casual and friendly" at first hearing, the strength and disposition of the United States Fleet in the Pacific were specifically mentioned by the caller at the Oahu end of the connection. \* \* \*

The telephone conversation was one of very few which intelligence operatives succeeded in tapping, operational technicalities involved in radio transmission of telephone calls between Oahu and Japan having blocked efforts to intercept such calls. \* \* \*

The ability of the Federal Bureau of Investigation to tap the call between the telephone instrument and the radio transmission apparatus was believed to have been due to a laxity on the part of the Japanese in the final hours of preparations for the attack. They usually availed themselves of instruments that could not be tapped because of their location on property not open to the Federal Bureau of Investigation.

I refer now, Mr. President, to one further circumstance which, according to the press, was mentioned in hearings before a committee of the House last year when it considered a bill to authorize wire tapping. At that time a high official of the Government stated to the House committee that under the present law it is entirely lawful for the Government to subpoena copies of telegrams in the files of cable and telegraph companies. Regardless of whether one agrees with the opinion of the Attorney General that it is lawful to tap wires, it is clear that under the law as it now stands the Federal Government could have subpoenaed copies of all telegrams sent by Japanese spies over the commercial lines between Hawaii and Japan in the weeks and months preceding the attack on Pearl Harbor.

It is, therefore, fair to say that the Federal Government agents were not prevented, by anything in the present law, or by the lack of any law such as has now been proposed in the House and was proposed in the House last year, from intercepting the messages of spies and tapping the wires of spies in Hawaii or anywhere else.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. TRUMAN. I am glad to yield.

Mr. TYDINGS. While the agents may have had the power, I wonder if the Senator is in a position to inform the Senate whether they were instructed not to utilize that means of securing information.

Mr. TRUMAN. I cannot answer as to that. They did use it, however, I will say to the Senator.

Mr. TYDINGS. It may be that, with the best of motives and intentions, someone may have directed them, however, not to use that medium of securing information, even though the law permitted them to do so.

Mr. TRUMAN. That is entirely possible, but it was not the Senator from Montana [Mr. WHEELER] who did so. That is what I am trying to show.

I point to one other fact. The Department of Justice has not only said that it deemed it lawful and that it would authorize the tapping of wires, but has not denied any of the newspaper articles which state that it did tap wires of Japanese spies in Hawaii before December 7, 1941. The head of the investigative agency of the Department of Justice gave out a statement which was published in the Washington Times-Herald for December 29, 1941, dealing with the subject of spy activity in Hawaii prior to the attack on Pearl Harbor. At no point in the statement is there the remotest suggestion that the failure of the House to pass the bill last year interfered in any way with the power and action of the Department's agents in tapping the telephone calls and intercepting the messages of the Japanese spies.

As chairman of a subcommittee appointed to deal with this subject when a bill comes before it, I am not endeavoring to express any view as to whether legislation such as was proposed in the House last year and this year is desirable or not. It is my duty as chairman of the subcommittee to give those who desire to be heard an opportunity to be heard when there is a bill pending before the subcommittee, and to reach a decision with the other members of the subcommittee on the merits of the subject as the facts come before us, and with a view primarily to the needs of national defense and of the most effective exercise of the war power of the Government.

All I have sought to do by this statement is, without recrimination, without name calling, without pointing the finger of criticism at anybody, to present in some detail the record from 1934 to date. That record is conclusive proof of the facts. Those facts are two in number. In the first place the chairman of the Senate Committee on Interstate Commerce [Mr. WHEELER] has done nothing to prevent the passage of a bill to authorize wire tapping. He has done everything possible in this Congress from the early part of 1941 onward to expedite hearings on any bill on the subject which may come before the Senate and at the same time to give everyone who is interested in the subject a fair and full hearing. The second fact which the record shows is that the absence of a wire-tapping law had nothing whatever to do with the failure to detect in advance the surprise attack which was made on Pearl Harbor on December 7, 1941.

The conclusion is unavoidable that the criticism recently leveled against the chairman of the Committee on Interstate Commerce is not justified by any circumstance, any incident, or any evidence whatever.

Those few critics who have attacked the senior Senator from Montana seem

to be inclined also to hold him responsible for not rushing a wire-tapping bill through Congress at the present moment. They seem to think, and they imply in their pronouncements, that our country is in danger unless and until Congress passes a law affirmatively authorizing our detective forces to tap wires.

What justification is there for directing such criticism against the chairman of the Senate Interstate Commerce Committee? None whatsoever. If any Government department deemed it necessary to have such a bill rushed through, that department would say so, plainly, clearly, unmistakably. No Government department has said so.

But there is more to be said on the point. We know that under the censorship powers the Federal Government is now censoring all communications between this country and its possessions—including Hawaii—on the one hand, and all other countries. This censorship covers communications by wire, by wireless, and by mail.

The whole basis of the attack is fantastic. Here we have our Government tapping domestic telephone calls and foreign telephone calls, getting messages, and foreign mail. How in the world the senior Senator from Montana could improve that situation one iota, if he had the power to rush through Congress one or a thousand bills on wire tapping, is beyond my comprehension.

What has happened is that there have been spread abroad some myths—and I am using a very kindly word—for which there is no foundation in fact. These myths have been accepted by a few men who have not had the time to get the facts, and they have broadcast the myths, now grown to supersize, as if they were actualities instead of utter fantasies.

We have a war to fight and we must devote our fullest energies to winning that war. There will be during the war many changes, many promotions and some demotions, many criticisms and many corrections. All of that is salutary; but what is not salutary is recrimination, and the indulging in personal attacks which can only make for disunity and prevent the fullest cooperation of all Americans in the prosecution of the war effort. Especially is it important that those who desire to criticize persons or personalities shall avoid making criticism which is not justified by the facts and which is contrary to the record and to the facts.

There are still some in this country who feel bitterness against Members of the Senate and House of Representatives and against others who do not hold public office, who were opposed to any aspect of the President's foreign policy during the last 2 years. I was gratified to observe that Winston Churchill, when he was in this country, took a far different attitude. I know that many Members of the Senate who supported the President's foreign policy throughout deem such recriminations unwise and unjust. I have throughout supported the President's policy, and I also believe that recriminations of the nature referred to are unwise and unjust. It should be borne in mind that even Abraham Lincoln criticized the entrance

of our country into the Mexican War in 1848; yet no one doubts his patriotism. Those men in public life whom I know who did not before our declaration of war agree with the President's policy on foreign affairs, the policy to which I subscribe, have since the declaration of war loyally and fully supported the war effort of the Government. The Senator from Montana [Mr. WHEELER] was one of the first to make the statement that he would be behind the Government in the prosecution of the war. It would be fair to them and helpful to the Government's war effort if this fact were more generally recognized. It is time that men cease to challenge the patriotism and loyalty of some of their fellow Americans simply because on some issue of the present day there happens to be some difference of opinion and an honest difference. It is to preserve the right to hold differences of opinion that we are entered upon the mightiest effort of our national career.

#### DECENTRALIZATION OF WAR INDUSTRIES AND DEMOBILIZATION OF NONDEFENSE WORKERS

Mr. WILEY. Mr. President, I listened with a great deal of pleasure to the distinguished Senator from Missouri [Mr. TRUMAN] when he occupied the floor. He called attention to the particular need of all of us of guarding our tongues, especially if what we have to say is of a destructive nature.

We have heard much of late in relation to decentralization. There are two phases to that subject. The first relates to the decentralization of nondefense activities in Washington. We now have a committee, appointed by the President, for the purpose of going into the subject and seeing what can be done. There is, however, another phase of decentralization in which I am particularly interested. It relates to the decentralization of many of our war activities on the coast. Recently I had the privilege of speaking in Philadelphia on the same program with the distinguished Chinese Ambassador Hu Shih. He particularly called attention to the fact that one of the reasons China was able to withstand the onslaught throughout the years when she stood alone, and since, when she has received aid from this country, Britain, and France, was the fact that she saw what was coming and withdrew her industries into the hinterland. That policy has been again demonstrated in the Russian campaign. Russia, too, took her war activities away back into the interior. Let us wake up and locate our big industries into the Mississippi Valley.

I rise to speak, Mr. President, also on a correlative idea, and that is the subject of demobilization of the employees of the Government who are not engaged in war activities. In this city and throughout the land we have an overplus of employees who are not engaged in activities necessary to the successful consummation of the war. They should be at least partially demobilized. We can find examples in such departments as the Department of Agriculture in this city, which has an overhead expense of \$1,100,000,000.



The other day the President of the United States spoke about parasites. I was interested in an article by David Lawrence, which I read this morning. The title of it is Another View on Capital Parasites. He brings out clearly the President's definition of parasites, which the President seems to think is all-inclusive. The President refers to persons who come to Washington for social life. They are very few in number compared with the real parasites who are living on the patronage of the political system at the expense of the taxpayers.

Mr. President, I have just returned from my own State of Wisconsin. In that State we are back of the war effort 100 percent, but we want it carried on efficiently. We are particularly proud of one great citizen of Wisconsin, Billy Mitchell. If his advice had been followed we might have avoided much of the catastrophe which has happened. Gen. Douglas MacArthur spent much of his life in Wisconsin. He is a member of the Alonzo Cudworth Post, No. 28 of the American Legion, of Milwaukee, Wis. He is another man who is on his toes and knows how to handle any situation with which he may be confronted. Both of these men, Mitchell and MacArthur, had prevision. Let us get a little of the same quality and decentralize before it is too late.

The people in my State are for an all-out war effort, but at the same time they are tremendously concerned with the enormous expenditures upon which the Government is embarking. They are asked to buy defense bonds, to give up automobiles, and to agree to a reduction in the standard of living. They are glad and willing to do so, because they recognize that it is necessary to do so now, or will be necessary in the near future.

Mr. President, man after man asks, "Why does not government cut down on its nondefense activities? Why is there not a demobilization of Government employees in nondefense activities?" The departments of government furnish many examples of what I mean. There are hordes of Government employees in nondefense activities who should be in defense work. Demobilization does not mean destruction. It means getting rid of surplus employees.

Mr. President, why cannot some one who really comprehends efficiency take hold of the job in Washington to the end that space now devoted to nondefense activities may be utilized for war activities? Let us get rid of the parasites who draw Government pay. Mr. Lawrence calls attention to the fact that in Washington we have the greatest collection of lawyers the Capital has ever seen—lawyers who are doing nothing.

Some time ago, Mr. President, I suggested that if we did not get results in the war-production effort we would soon see the greatest "buck passing" period this country has ever seen. I think we will get production. I think Mr. Nelson will be the man of the hour, and I think he will show what should have been done months or years ago. Let the President find another Nelson who will reach out and do the job of demobilizing useless and expensive employment in the

Government. The hour to begin is now. We who sit here in Washington, rather complacently and smugly, do not get the picture of how the people feel who will have to pay the taxes. As I say, I have just returned from my own State. It is a patriotic State. Its people are willing to go the limit, but they ask us to do something besides merely voting money day after day. It is a constructive thing to do to cut down unnecessary expense. Let us cut it down.

Mr. President, I ask that the entire article by Mr. Lawrence be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star]

ANOTHER VIEW ON CAPITAL "PARASITES"—LITTLE HAS BEEN DONE TO CONVERT FEDERAL UNITS TO WAR WORK

(By David Lawrence)

President Roosevelt is usually accurate in his use of words, so it was somewhat a surprise to see him limiting his definition of "parasites" the other day to the negligible number of persons who come to Washington for the social side of things. The dictionary defines "parasite" as "one who lives on the patronage of others."

The few who come to Washington for social reasons have money enough of their own. It is not they who are crowding Washington. The congestion comes because hundreds of thousands of political employees were brought here during the last 8 years under the New Deal concept that the Government owes everybody a living.

The Federal pay roll long before total war broke out in Europe in 1940 had reached the highest in American history. Despite the boasts in the campaign of 1940 that the New Deal had brought prosperity, the number of parasites living on the patronage of the political system and at the expense of the taxpayer had risen to incredible heights.

NO CUT IN EXPENSES

Even now, when the American people are being asked with all the emotion that a war background can command to buy Defense stamps, give up automobiles and sugar and what not, the Federal Government has not made any appreciable cut in nondefense expenditures. The reason is that the political-patronage idea is too firmly fixed in the mind of almost everybody here from the President down. To lop off officeholders might offend this or that political group, and nothing must be done, of course, to offend the political groups. It's much easier to make the public believe that Washington is full of do-nothing rich. It makes the headlines and diverts attention from the real trouble in the National Capital.

For several weeks now the administration and some of its parasite press agents have been issuing innuendoes about the automobile industry, declaring that it has failed to convert its facilities to wartime use. Failure to convert the auto industry has become the political alibi for delay in the defense program. Yet what has been done in Washington to convert peacetime governmental agencies to wartime uses? Has anybody of the Donald Nelson type been appointed to the task of conversion of personnel and office space utilized by the Government for less important purposes than war?

PRIORITIES FOR CIVILIANS ONLY

In these dispatches time and again since the war emergency broke out more than a year ago attention has been directed to the fact that priorities are being applied to the civilian population, but not within the Gov-

ernment itself. Some feeble efforts have been made by the administration to move a few Government agencies out of Washington, but this in itself is not the answer. When the American people are being deprived of so essential a function as automobile manufacturing it is certainly within the realm of possibility for the American people to do without a few hundred of the activities that ordinarily are performed by government.

It is not suggested that these agencies be discontinued or that any of the political favorites of the New Deal or that all the parasites on the taxpayers' pay roll be dismissed, that merely that most of them be asked to do the war work and that other less important activities be allowed to suspend.

#### COLLECTION OF LAWYERS

Thus, for example, there isn't the slightest excuse for the \$1,000,000 or more of money now spent to give high salaries to the biggest collection of lawyers the National Capital has ever seen in any one unit, namely, the Antitrust Division. When competition has been killed by war pooling and when the Government itself is fixing prices, it would seem that the same sized staff which kept America from suffering the evils of antitrust crimes in 1936 or prior thereto would be adequate, and the War Production Board and the Army and Navy could use those same lawyers to handle the public's interests in the awarding and allocation of the billions of dollars of contracts for armament. Instead, it so happens that the Antitrust Division—thinking it must earn its pay—is carrying on a campaign of persecution and is harassing the top men in American industry at a time when the Government is demanding all-out effort for war. The time for the new dealers to stop throwing stones at the auto industry and to put the Government's own house in order by conversion of facilities and more efficient use of office space and housing accommodations has arrived. Maybe the President deserves commendation for raising the issue of who is and who is not a "parasite." It fits in with the demand for "conversion."

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6460) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1943, and additional appropriations therefor for the fiscal year ending June 30, 1942, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SCRUGHAM, Mr. CASEY of Massachusetts, Mr. SHEPPARD, Mr. BEAM, Mr. THOMAS of Texas, Mr. DITTER, Mr. PLUMLEY, and Mr. JOHNSON of Indiana were appointed managers on the part of the House at the conference.

#### WIRE-TAPPING LEGISLATION AND THE PEARL HARBOR ATTACK

Mr. BARKLEY. Mr. President, I wish to make a brief statement in regard to the remarks of the Senator from Missouri [Mr. TRUMAN] delivered awhile ago. I shall not discuss parasites, because I have no doubt that many persons in this country think that I am one. [Laughter.] I do not want to go into that subject; but I do wish to comment on the remarks of the Senator from Missouri.

First, I wish to say that I do not know what the remarks were based on. I have not heard of any charge made against the Senator from Montana [Mr.

WHEELER] or any other Senator in regard to wire-tapping legislation; and certainly I have not heard of anybody stupid enough to think that the debacle at Pearl Harbor was caused by the failure of Congress to pass wire-tapping legislation. There may be some person stupid enough to think that the attack on Pearl Harbor resulted from that cause; but I do not know him.

All of us must take more or less responsibility for Pearl Harbor—everybody in the United States and every Member of the Congress. We might go back a number of years from now and recite what might have been done in the Pacific that was not done that would have averted the disaster at Pearl Harbor.

I wish to state that, regardless of anything that anyone may have said over the radio and regardless of anything that anybody may say in columns, we shall all have to be a little tough-skinned here and a little hard-footed about what people say about us. We might as well make up our minds that we shall have to take a good deal of criticism and abuse. I was told yesterday of something that somebody said about me that kept me out of good humor all day, and I have not gotten into a good humor yet. [Laughter.] I am not going to say anything about it. I am not going to say who it was who said it, or what it was; but I was mad all day yesterday. [Laughter.] But I feel a spell of good humor gradually coming over me, and I hope to recover before the week is over. [Laughter.]

Mr. TRUMAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TRUMAN. I wish to say to the Senator from Kentucky that the Senator from Montana never spoke to me on the subject at all. I heard the broadcast and I read the column, and I think they made me a great deal more angry than they did the Senator from Montana; and I thought the facts should be put in the Record for the benefit of the Senate.

Mr. BARKLEY. I appreciate that. I am not objecting to it. I think the Senator from Missouri was correct in doing what he did. I did not hear the radio broadcast and I did not read the column; so I was in the dark as to what the Senator was talking about.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. BARKLEY. Yes; I yield.

Mr. WALSH. I assume that when the Senator states that all of us ought to assume some responsibility for what happened at Pearl Harbor, he refers to the general smugness of the American people, and he does not mean that Congress has failed to take any action that might have changed the situation?

Mr. BARKLEY. I did have in mind the general smugness of the American people.

Mr. WALSH. Which the Congress shared?

Mr. BARKLEY. Of course, we are part of the American people; and there was a certain smugness on the part of Congress. I could go into some specific instances. For instance, I think Guam should have been fortified.

Mr. WALSH. So do I. I spoke in the Senate in favor of it.

Mr. BARKLEY. Congress did not do it. The matter did not come to a vote in the Senate, as I recall; but it did come to a vote elsewhere, and it was defeated.

Mr. WALSH. A proposal to improve the harbor at Guam, not to fortify it, was defeated in the House; and I think the Record should show that the Navy Department never really asked for the fortification of Guam.

Mr. BARKLEY. I do not dispute that at all—all of which goes to demonstrate what I said, that the whole American people, out of office and in office, must accept some responsibility.

Mr. WALSH. I am willing to agree to that; and I think it is a proper statement to make that we have failed to realize the seriousness of events previous to our entrance into the war. I do not think it is fair to say, however, that there has been any failure on the part of Congress to act in any manner that would have prevented what happened at Pearl Harbor. The operations at Pearl Harbor were an executive function, and responsibility for them was lodged in the departments. Congress has no direction or control of the operations of the Navy or Army, and should not be expected to have. I do not want to suggest that the Navy Department or any of its agents were directly responsible, but I think we should be careful in placing any responsibility on the part of Congress unless there is some evidence that we failed to perform some function that it was our duty to perform.

Mr. BARKLEY. I do not recall that Congress as a whole failed to take any action requested by the executive department in regard to the fortification of the Pacific islands. Of course, now we can look back and can see what all of us should have done if we had had sense enough to foresee what was going to happen later. If Congress had had a request from the Navy Department or the War Department and had had enough foresight to see what has since happened, Congress might, without any request from either Department, have fortified these other islands in the Pacific.

So far as I know, the fortifications in Hawaii and at Pearl Harbor were adequate. There was an unfortunate situation due to complacency and a failure on the part of responsible officers on the ground, and charged with responsibility at the time, to foresee what was about to happen.

Mr. WALSH. I think that is a fair statement. I do not believe military officers on the ground should be held entirely responsible. Let me say to the Senator that the Committee on Military Affairs, the Committee on Naval Affairs, and, I assume, other committees, are very much handicapped in going beyond the recommendations of the bureaus for authorization or appropriation of money for the defense of our country.

Mr. BARKLEY. I agree to that.

Mr. WALSH. Let the record show that the movement for the two-ocean Navy began in the Congress, and was approved by Congress, and only 2 years

before that a leading admiral in charge of the Navy said that a two-ocean Navy was not necessary at that time.

So I am happy to say that Congress initiated it; and largely due to the foresight, ability, and judgment of the chairman of the House Committee on Naval Affairs, who deserves a large measure of credit, for that particular act, which is perhaps the most important thing we have done in the past 2 years in preparation for war. I will say that after the steps were taken and the bills were introduced by the chairman of the House committee and myself, the Navy got behind us and supported us; but the initiation of the movement was largely congressional, probably because of Budget objections theretofore.

I do not want to disagree with what the Senator has said; but I think we should be careful in criticizing the Congress for failure to act unless there is some evidence that the Navy or the Army or the Coast Guard or some other department of Government asked something which we refused; and I do not think there is any evidence of that.

Mr. BARKLEY. I appreciate that.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I will yield in a moment. First let me respond to what the Senator from Massachusetts has said.

I agree with what the Senator has said. What I was attempting to say, in general terms, not in terms of any particular situation or any particular branch of the Government, was that if all of us had had enough foresight years ago, we would have had a two-ocean navy when this war started.

Mr. WALSH. The Senator is absolutely correct.

Mr. BARKLEY. The trouble is, as I see it, that we have had too much faith in the good faith of mankind in certain parts of the world; and we did not even convince ourselves until it was perilously late, that we could not rely upon the good faith and integrity and peaceful objectives and motives of many portions of mankind scattered throughout the world. We did not have and could not have had that foresight. We wanted to believe that mankind desired peace. We were somewhat in the same situation in which the people of a certain parliamentary district in England found themselves in 1937, when they had a by-election to elect a member of Parliament. As late as 1937 there were two candidates, one of whom urged that the people of Great Britain prepare for a coming war; the other one urged that they do not do so, because he took the position that there would not be any war, and that it was a useless expenditure to spend money in preparing for a contingency that was not going to happen. He was elected as late as 1937, only 2 years before the war began. So it is one of the weaknesses of human nature that if people want to believe that a certain thing will not happen, they govern themselves according to that belief; and I think the peace-loving nations and the peaceful people of the world were slow in waking up to what was really in store for them.



Mr. WALSH. And there is no doubt, let me say to the Senator, that, in my opinion, there was an almost overwhelming sentiment in this country which Congress could not resist, prior to the European war, to limit to the bone expenditures for military defenses, and a desire to expend for general welfare and to help bring us out of the depression, whatever money Congress saw fit to appropriate.

So to that extent, prior to the European war, I think we can all assume responsibility for not exercising the foresight which, from what we now know, should have been exercised.

Mr. BARKLEY. Undoubtedly; but I did not rise to talk about that.

Mr. TAFT. Mr. President, will the Senator from Kentucky yield, so that I may ask a question of the Senator from Massachusetts?

Mr. BARKLEY. I yield.

Mr. TAFT. I have been told by members of the House Naval Affairs Committee that with regard to Guam they were advised by the Navy that even if we spent \$150,000,000 to \$200,000,000 to fortify Guam we could not hope to hold it for more than 30 days against Japanese attacks from islands surrounding Guam. Can the Senator advise us whether that is a correct statement?

Mr. WALSH. The statement was that if Guam were fortified it could be held against anything except a major assault by a powerful nation. Some of the members of the Naval Affairs Committee of the Senate who are always in favor of extreme measures for defense felt as the Senator has said some House Members felt, that, even with a great expenditure of money in Guam, we might lose it because of its long distance from our shores. Neither the House or Senate committee ever had the question of the fortification of Guam before it. We did have a project for the dredging of the harbor, which many believed was a movement toward the fortification of Guam. As the Senator knows, and as the record shows, it was defeated in the House, and when the bill came to the Senate there was no item for Guam. The Navy Department was asked whether it insisted on the incorporation of an authorization for the development of a harbor at Guam. Their attitude was, to say the least, that it was probably useless to attempt it as the House had rejected it, and if the Senate should put it in probably it would not go through.

Mr. TAFT. But that particular appropriation had nothing to do with the fortification of Guam?

Mr. WALSH. No direct request for an authorization for the fortification of Guam was ever put before the committees of the Senate or the House. There was in the Hepburn report a recommendation for making it a major naval base, which was submitted to the Navy and which the committees of Congress rather accidentally saw as a matter of routine information of what the Hepburn board desired in the way of increasing our fortifications in the Pacific.

Mr. TAFT. But it is true that the Navy Department never recommended to Congress the fortification of Guam?

Mr. WALSH. That is true. Again, undoubtedly due to the fact they could not get Budget approval.

Mr. BARKLEY. Regardless of that, we all recall there was quite a sentiment in the country at the time when the question was being widely discussed that it would be unwise to take that step on the ground that it would offend Japan. Many people felt that way about it. Of course, as we look back now upon the situation it seems fantastic that we allowed any such reason as that to sway us, but it did have its influence; there is no doubt about that.

Mr. TYDINGS. Mr. President—

Mr. BARKLEY. I yield to the Senator from Maryland.

Mr. TYDINGS. I merely want to reiterate what the Senator from Kentucky has said. I think it would be unfair to leave the Navy Department in the position that they did not want to fortify Guam. It is true they did not come with a complete fortification plan and ask us for the money, but the item we put in the bill was to start fortification by dredging the harbor. I had a distinct impression—and I am sure the able chairman of the committee will sustain me—that the Navy did not completely express what it would or would not have liked to have had, but was trying to supplement what it believed to be the approach of the administration at that time, which was, as the Senator from Kentucky has said, "Do not let us do something which will start a war."

In order that the record may be kept straight, let me say that I made the motion in the committee to approve the appropriation for Guam, and I coupled it with the statement that we would first ask the Japanese to let us inspect Marianne and the other islands and see whether they had violated the mandate from the League of Nations which forbade them to fortify the islands; that if it was found they were not fortifying the Japanese islands, the appropriation would be null and void; if they had fortified their islands we would fortify Guam, and if they refused to let us inspect them, as we had a right to do, we would fortify Guam. It is my impression that the Navy would have liked to have fortified it, but wanted to go along with what was then—and I do not say it in criticism—the approach of the administration toward the Far Eastern problem which was one of conciliation, so far as it was able to go.

Mr. BARKLEY. That is true.

Mr. WALSH. The record ought to show that the Navy Department cannot submit a project to us until it goes before the Bureau of the Budget, and in this case the Bureau of the Budget did not recommend the expenditure for Guam.

Mr. TYDINGS. That is correct and that was the reason I thought it was only fair to point out that quite often the Navy is not in a position to do what it thinks is necessary from a purely naval

standpoint to defend an area but they naturally go along with whatever the policy of the administration in power is at the particular time. I say that in no spirit of criticism, but simply because I think the Navy is entitled to have that statement put in the Record.

Mr. BARKLEY. I have been led far afield from what I rose to discuss, but, inasmuch as the question of Guam has been brought in, let me say that I listened last Saturday to a very interesting address over the radio by Colonel McCormick, of the Chicago Tribune. I do not have very frequent occasion to quote Colonel McCormick here, but I will say about him that he has a good radio voice and he deals logically from his standpoint with the subject he discusses. He has been discussing in a series of Saturday addresses over the radio the question of our national defense, and he has much information about the geographical distribution of islands and defenses all over the world. Whether one agrees with him or disagrees with him, his talks are interesting, and in his talk last Saturday he seemed to me to emphasize his belief, at least, that if Guam had been fortified years ago, the Pearl Harbor incident would not have occurred on December 7.

Mr. CLARK of Missouri. Mr. President—

Mr. BARKLEY. I yield to the Senator from Missouri, but I should like to get back to the question I rose to discuss.

Mr. CLARK of Missouri. On the point the Senator is discussing, does the Senator have any idea or does anyone else have any idea that the project which has been referred to here of deepening the harbor at Guam, which was 10 years ago, would have made up in any degree whatever for the fatal lack of alertness on the part of the Army and Navy at Pearl Harbor that was responsible for the disaster there? No amount of fortification at Guam would have offset the failure to be on the alert at Pearl Harbor.

Mr. BARKLEY. I agree to that, but, so far as Guam is concerned, dredging the harbor would have been only a preliminary operation to the ultimate fortification.

Mr. CLARK of Missouri. I understand that. We considered that the dredging of the harbor was perhaps more in the interest of the Pan-American transoceanic air flights than of any particular military necessity, but, even if Guam had been completely fortified, that still would not have compensated for the fatal defect of the American Army and American Navy at Pearl Harbor not being on the alert. If they had been on the alert, the defenses at Pearl Harbor were entirely adequate.

Mr. BARKLEY. Nobody would controvert that statement. I imagine that even those who entertain the belief that if Guam had been completely fortified it would have provided a barrier against Japanese forces getting to Pearl Harbor, will concede that it could not have made up for the lack of alertness and diligence on the part of our forces at Pearl Harbor.

Mr. CLARK of Missouri. Midway and Wake are fortified and they are on the way and closer to Pearl Harbor than Guam, and they did not deter the Japanese.

Mr. BARKLEY. That is a theory about which I have no more information than has anyone else. But I desire to get back to the purpose for which I rose.

Mr. WALSH. I am sorry I diverted the Senator.

Mr. BARKLEY. I diverted myself.

Mr. WALSH. If the Senator will permit me further, I should like to say that the fortification of Guam as an outpost, although it would have been lost in a naval attack, would undoubtedly have delayed the attack made by the Japanese at Pearl Harbor and our own coast. If Guam had been fortified, and we had a strong naval base there, the enemy would not go beyond it until Guam was wiped out.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TYDINGS. I should like to say that I think it unfair to leave the impression that if Guam had been fully fortified, probably the attack on Pearl Harbor would have taken place just the same. I do not believe that to be true. If we had at that outlying base, 2,500 miles away, fully fortified where the Navy could have kept at least a scouting fleet and some small number of vessels, it would have seriously interfered with Japanese strategy for a surprise attack on Pearl Harbor, and had it been fully fortified—which I do not blame anybody for not having accomplished—I believe that the Japs would have had a great deal of difficulty in getting by it, because they would have had to go back by it again.

I should like to leave the thought, in conclusion, that so long in the future as there is no limitation on armaments on land, in the air, and on the sea, we ought to learn the lesson from Guam, that whatever possessions we have, we ought to put in a military position to defend themselves, unless there is a limitation of armaments. "What Curzon has, let Curzon hold," is a good slogan for the United States.

Mr. BARKLEY. Mr. President, I appreciate this discussion about Pearl Harbor and Guam, which is really beside the question I rose to discuss, which was to comment on the remarks of the Senator from Missouri [Mr. TRUMAN] in regard to wire tapping, and certain charges with which I am not familiar, which he mentioned, involving the Senator from Montana [Mr. WHEELER].

I am a member of the Committee on Interstate Commerce, and I happen to know that that committee for some time has been considering legislation on the subject of wire tapping. The Senator from Tennessee [Mr. STEWART] was chairman of a very active subcommittee which went into that question. The matter of wire tapping, of course, involves a good many delicate things. I think the Senator from Tennessee was the diligent chairman of a subcommittee on as difficult a subject as I have seen

here in a good many years. It is not a subject that can be passed on overnight, or on which it is possible to reach into a hat and pull out a rabbit at once as a remedy for it.

I realize that during war we have to resort to a great many devices which would not be justified in times of peace in order to ascertain what the enemy is seeking to do, and to prevent him from ascertaining what we are seeking to do. It is true, as we all know, that Members of the Senate disagreed honestly and vigorously with respect to the foreign policy of the United States until the 7th of December, when we were attacked by Japan. Since the 7th of December I think I can state, and I think I am in a position to state, that regardless of any views entertained by anybody prior to that time, every Member of the Senate in a responsible position, either as a member of a committee or as a Member of the Senate or as chairman of any committee dealing with war legislation, has cooperated completely and fully and promptly.

It has fallen to my lot to have something to do with war legislation even insofar as suggesting to what committees bill should go. In that capacity the Senator from Montana [Mr. WHEELER], as chairman of the Committee on Interstate Commerce, to which have been referred two or perhaps three important war measures, has taken charge and in two cases has himself introduced the bills, was glad to do it, has promptly got them out of the committee, and they have passed the Senate of the United States. Chairmen of other committees who did not altogether agree with the foreign policy of this country prior to December 7 have taken charge of and have introduced measures necessary to carry on the war, and they have done it promptly and efficiently, without regard to any view they entertained prior to the 7th of December and our declaration of war.

I think we have here in the Senate as complete a unity of purpose as can possibly exist in any legislative body representing such various and widely scattered interests as we have in the United States. It is desirable that that unity and that harmony and that oneness of purpose shall be maintained until the war is over and we have won it. Therefore, I desire to say publicly—and I am not ashamed or afraid to say it—that, without regard to any Senator's position on our foreign policy prior to our entry into the war, all of them have cooperated and are now cooperating, and I have no doubt will continue to cooperate, in the enactment of whatever legislation is necessary to win the war, and win it as promptly and as effectively as possible, and put us in a position to have a determining voice in the kind of peace we are to have when the war shall end.

I have no doubt that Senators who did not agree with the foreign policy of this Government prior to December 7 will be called upon, in the days and weeks and months to come, as members of committees and as chairmen of committees, to cooperate and labor with all the rest of us who do agree with the

policy that our Government adopted prior to December 7 in carrying forward the battle to which the United States is now committed. Therefore, I hope that from the outside, and especially from irresponsible sources, those who enjoy the patronage of the public, and who either have their voices heard over the radio or have what they write read in newspapers, will keep that fact in mind. It is more important, as I judge it, that the Congress of the United States and the American people should be marching together, shoulder to shoulder, as one man, without regard to previous differences, than it is for somebody to write something or to speak something that he wants somebody to hear or to read.

I would caution Senators also, if I may do so without offense, not to take too seriously the little pin pricks which we sometimes feel. The American people at heart are sound. I have often said that we hear noises and we see things here that disturb us and irritate us and annoy us and sometimes anger us; but when we get back among the people, we find that they are sound and solid, and they will stand behind the efforts of Congress and the Government to carry forward the battle in which we are engaged.

I felt that I ought to say that, because it is true of every Member of the Senate, regardless of his attitude prior to our entry into the war, regardless of his position on a committee, whether a chairman or a humble member.

Getting back now to wire tapping, we probably shall have, in the very near future, legislation of that sort. I understand that the House Committee on the Judiciary is now considering a bill regulating in some way wire tapping. If that bill passes the House, it will come here. The Committee on Interstate Commerce is the committee which has always handled that kind of legislation ever since it has been considered in the Senate. While I have nothing to say about where a bill shall go if it comes from another body, I think due consideration ought to be given to the fact that that committee has already been dealing with the subject, has held exhaustive hearings on the subject, now has in existence a subcommittee on the subject of wire tapping, and I think it is competent and able to handle the subject promptly, and that it will do so according to its responsibility if legislation of this nature is referred to it.

Mr. WALSH. Mr. President, amplifying briefly what has been said by the distinguished Senator from Kentucky, the Democratic leader, I think it ought to be said that there were high-ranking naval officers and high-ranking officers of the Army who did not agree in full and completely with the foreign policy of the administration before the war began. There certainly were millions of young men who are now in the service of our country, and their fathers and mothers, who did not agree in toto with the foreign policy of our country. They did not have the obligation which Senators have to vote when the roll was called, and to be publicly put on record as to their position, and to explain to their constituents their views pro and con.



How can anyone now question the patriotic service of all these millions of Americans? It is just as much of an insinuation against these Army and Navy men and these young men who are now out fighting for their country to suggest that they are not wholeheartedly in favor of carrying on this war to the end and to the limit, whatever sacrifice may be involved, as it is to suggest that any Member of this body, because he differs with the foreign policy of the administration, is now hesitating or doubtful or resisting in any way, shape, or form the importance and necessity of all, standing together and fighting together and dying together if necessary to the end that we may bring, as speedily as possible, victory to our country.

#### EXTENSION OF POWERS OF RECONSTRUCTION FINANCE CORPORATION

The Senate resumed the consideration of the bill (S. 2198) to provide for the financing of War Insurance Corporation, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The question is on agreeing to the amendment of the committee, which will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause, and to insert the following:

That section 5d of the Reconstruction Finance Corporation Act, as amended, is hereby amended by inserting immediately before the fifth paragraph thereof the following new subparagraph:

"(5) To acquire real estate and any right or interest therein by purchase, lease, condemnation, or otherwise, determined by the Corporation to be necessary or advantageous to the carrying out of any authority vested in any corporation created or organized pursuant to this section. The Corporation is also authorized to sell, lease, or otherwise dispose of any such real estate. Proceedings for such condemnation shall be instituted in the name of the United States pursuant to the provisions of the act approved August 1, 1888 (25 Stat. 357), as amended, and any real estate already devoted to public use which would be subject to condemnation in proceedings instituted upon application of any officer of the Government shall likewise be subject to condemnation in proceedings instituted upon application of the Corporation as herein provided. Sections 1, 2, and 4 of the act approved February 26, 1931 (46 Stat. 1421), as amended, shall be applicable in any such proceeding. Any judgment rendered against the United States in any such proceeding shall promptly be paid by the Corporation. Immediately upon the vesting of title in the United States of America in any such proceeding, the Federal Loan Administrator, by deed executed by him in the name of the United States of America, shall transfer the entire title or interest so acquired to the Corporation, and the Corporation shall thereupon have the same rights with respect to any real estate so acquired as it has with respect to real estate acquired by purchase. The power of condemnation herein granted to the Corporation shall not be exercised after the expiration of the Second War Powers Act, 1942."

Sec. 2. The Reconstruction Finance Corporation Act, as amended, is hereby amended by inserting after section 5e thereof the following new sections:

"Sec. 5f. Any department, agency, or independent establishment of the Government or any corporation all of the capital stock of

which is owned or controlled, directly or indirectly, by the Government is hereby authorized, notwithstanding any other provision of law, to sell, transfer, or lease, with or without consideration, to the Corporation or to any corporation created or organized pursuant to section 5d of this act, any real estate and any right or interest therein.

"Sec. 5g. The Reconstruction Finance Corporation is hereby directed to continue to supply funds to the War Damage Corporation, a corporation created pursuant to section 5d of this act; and the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this subsection. Such funds shall be supplied only upon the request of the Federal Loan Administrator, with the approval of the President, and the aggregate amount of the funds so supplied shall not exceed \$1,000,000,000. The Reconstruction Finance Corporation is authorized to and shall empower the War Damage Corporation to use its funds to provide, through insurance, reinsurance, or otherwise, reasonable protection against loss of or damage to tangible real property and tangible personal property which may result from enemy attack, with such general exceptions as the War Damage Corporation, with the approval of the Federal Loan Administrator, may deem advisable. Such protection in an amount not greater than \$15,000 shall be so provided to the owner of any such property, as defined by regulations prescribed by the War Damage Corporation, with the approval of the Federal Loan Administrator, without requiring the payment of a premium by or other charge to such owner. In the event that such protection is so provided to the owner of any such property in an amount greater than the coverage with respect to which no premium or other charge may be required, such excess coverage shall be provided only upon the payment of such reasonable premium or other charge therefor as the War Damage Corporation, with the approval of the Federal Loan Administrator, may prescribe. Such protection shall be made available in accordance with terms and conditions to be prescribed by the War Damage Corporation, with the approval of the Federal Loan Administrator. Such protection shall be limited (1) to such property situated in the United States (including the several States and the District of Columbia), the Philippine Islands and the Canal Zone, the Territories and possessions of the United States, and such other places as may be determined by the President, for purposes of this section, to be under the dominion and control of the United States; and (2) to such property in transit between any points located in any of the foregoing."

Sec. 3. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized to issue and have outstanding at any one time under existing law is hereby increased, in addition to the increase authorized in section 2 of this act, by \$2,500,000,000.

Mr. MALONEY. Mr. President, Senate bill 2198 provides for an amendment to the Reconstruction Finance Corporation Act as it now stands. It provides in part, and particularly in section 1, language authorizing the Reconstruction Finance Corporation to acquire by purchase, condemnation, or otherwise, such real estate as may be necessary in carrying out its functions and those of its subsidiaries in connection with the war effort.

In brief, this amendment to the Reconstruction Finance Corporation Act would give to the R. F. C., and its sub-

sidary corporations, powers which have heretofore been granted to other agencies of the Government, through the war power acts and otherwise, including the right of condemnation.

This is desired by the Reconstruction Finance Corporation particularly, and I think entirely, to enable it, without delay, to acquire lands to be used solely in the defense program, the acquisition of sites for defense plants, and probably the acquisition of lands owned by municipal or other public agencies which might be needed in connection with a defense-plant program. Because this particular part of the amendment has been discussed in connection with other legislation, some of it very recent, the Members of Congress are familiar with the provision, and I shall not long dwell upon it.

Another change which would be brought about by the amendment, if it should be enacted, would be provision and permission for the transfer of property to defense corporations. I believe there have been instances where the Navy has acquired land which it wanted to transfer to the Reconstruction Finance Corporation, or a subsidiary thereof, and the law did not clearly grant them permission. The proposed amendment would correct that condition.

Section 3 of the bill, to which I wish to refer briefly before going back to what I believe to be the heart of the measure, increases the borrowing authority of the Reconstruction Finance Corporation, for general purposes, by \$2,500,000,000. As all Senators know, that is needed principally, if not entirely, because of the war effort and the continuing need for additional money for defense plants, for purchases of military equipment and supplies, and purchases of other products needed for the proper prosecution of the war and the protection of our countrymen.

Some Senators might ask, as I did, how much authority the Reconstruction Finance Corporation would have should the Congress grant this additional \$2,500,000,000. I was advised by the R. F. C. officials at the hearings that that was a question difficult to answer, because of the numerous statutes dealing with the Reconstruction Finance Corporation, and the authorization of funds thereto, and providing in some instances for transfers, and the paying off of obligations incurred by the Reconstruction Finance Corporation.

In order that the Members of the Senate may have such information as was provided to the members of the Committee on Banking and Currency relating to this very complicated question and subject, I ask unanimous consent that there be printed in the Record at this point a statement furnished by the Reconstruction Finance Corporation outlining its borrowing authority. I might say that the statement is contained at page 21 of the hearings which have been placed on the desks of Senators this morning.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

**RECONSTRUCTION FINANCE CORPORATION—BORROWING AUTHORITY AVAILABLE FOR GENERAL PURPOSES, JANUARY 21, 1942**

The Reconstruction Finance Corporation is authorized by section 9 of the Reconstruction Finance Corporation Act, as approved January 22, 1932 (47 Stat. 5), to issue and to have outstanding at any one time its notes, debentures, bonds, or other such obligations in an amount aggregating not more than three times its subscribed capital. Section 2 of the same act establishes the capital of the Corporation at \$500,000,000 and appropriates that amount for the purpose of making subscriptions when called. The Secretary of the Treasury has subscribed for the entire amount. Thus, pursuant to this provision, the borrowing authority of the Corporation available for general purposes was established at \$1,500,000,000.

This amount was increased by section 205 (a) of the Emergency Relief and Construction Act of 1932, approved July 21, 1932 (47 Stat. 709, 714; 15 U. S. C. 609a), the provision establishing the amount of obligations authorized to be outstanding under section 9 of the Reconstruction Finance Corporation Act, at six and three-fifths times the subscribed capital of the Corporation, or \$3,300,000,000.

The total of the general borrowing authority established by the enactments noted was subsequently reduced by \$400,000,000 to \$2,900,000,000 by section 302 of the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 195, 210; 15 U. S. C. 609b).

The authority was again increased: by \$850,000,000 to \$3,750,000,000 by section 3 of the act approved January 20, 1934 (48 Stat. 318, 319; 15 U. S. C. 609b-1).

Section 2 of the act approved September 26, 1940 (54 Stat. 961, 962; 15 U. S. C. 609j), which act is amendatory of section 5d of the Reconstruction Finance Corporation Act, as amended (15 U. S. C. 606b), increased the general borrowing authority by an additional \$1,500,000,000.

The amount was again increased by \$1,500,000,000 pursuant to section 5 of the act approved June 10, 1941 (Public Law 108, 77th Cong.) and by \$1,500,000,000 pursuant to the act approved October 23, 1941 (Public Law 278, 77th Cong.).

In addition to the borrowing authority available for general purposes, the Reconstruction Finance Corporation has been authorized from time to time to borrow funds to the extent necessary, subject in some instances to stated maximum amounts, to provide financing for specific purposes, as follows:

Section 5 of the Agricultural Adjustment Act, approved May 12, 1933 (48 Stat. 31, 33; 7 U. S. C. 605), authorizes an increase in an amount sufficient to provide for advances to the Secretary of Agriculture to enable the Secretary to purchase cotton in accordance with part 1 of title I of said act.

Section 2 (b) of the Federal Emergency Relief Act of 1933, approved May 12, 1933 (48 Stat. 55, 56; 15 U. S. C. 609c-1), authorizes an increase not to exceed \$500,000,000 in amount for relief grants to be made by the Federal Emergency Relief Administrator.

Section 2 of the Reconstruction Finance Corporation Act, as amended by section 6 (f) of the Federal Home Loan Bank Act, approved July 22, 1932 (47 Stat. 725, 728; 15 U. S. C. 602), authorizes an increase not to exceed \$125,000,000 in amount for allocation to the Secretary of the Treasury to enable him to make payments upon the stock of the Federal home-loan banks to be subscribed for by him in accordance with the Federal Home Loan Bank Act.

Section 4 (b) of the Home Owners' Loan Act of 1933, approved June 13, 1933 (48 Stat. 128, 129; 12 U. S. C. 1463), authorizes an increase not to exceed \$200,000,000 in amount for allocation to the Secretary of the Treasury to enable him to subscribe for the capital stock of the Home Owners' Loan Corporation in accordance with said act.

Section 38 of the Emergency Farm Mortgage Act of May 12, 1933 (48 Stat. 31, 50; 15 U. S. C. 609c), authorizes an increase of \$300,000,000 to the Farm Loan Commissioner, \$100,000,000 (of which \$97,400,000 expired by reason of time limitation) to enable him to make loans to joint-stock land banks, and \$200,000,000 to enable him to make farm loans.

Title II of the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1021, 1056; 15 U. S. C. 609d), authorizes an increase not to exceed \$250,000,000 in amount to enable the Corporation to purchase marketable securities from the Federal Emergency Administrator of Public Works (P. W. A.).

Section 5e (c) of the Reconstruction Finance Corporation Act, as amended by section 3 of the act approved June 16, 1934 (48 Stat. 939, 971; 15 U. S. C. 606a), authorizes an increase of \$250,000,000. (Section 5e (b) of the Reconstruction Finance Corporation Act, added by the same amendment, requires the Reconstruction Finance Corporation, upon request, to purchase obligations of the Federal Deposit Insurance Corporation, the Corporation's holdings of such obligations not to exceed \$250,000,000 at any one time.)

Section 1 of the act approved June 10, 1933 (48 Stat. 119; 15 U. S. C. 605e), as amended by section 8 of the act approved January 31, 1935 (49 Stat. 4), authorizes an increase not to exceed \$75,000,000 to enable the Corporation to subscribe for the preferred stock of, or to purchase or make loans upon the capital notes of, insurance companies.

Section 304 of the act approved March 9, 1933 (48 Stat. 1, 6; 12 U. S. C. 51d), as amended, authorizes an increase sufficient to carry out its provisions. The section authorizes the Reconstruction Finance Corporation to purchase the preferred stock, capital notes or debentures of, and to make loans secured by the preferred stock of, banks and trust companies.

Section 4 of the National Housing Act, approved June 27, 1934 (48 Stat. 1246, 1247; 12 U. S. C. 1705), as amended, authorizes an increase sufficient to carry out its provisions. The section directs the Reconstruction Finance Corporation to make available to the Federal Housing Administrator such funds as he may deem necessary to carry out the provisions of titles I, II, and III of said act. The amounts which may be made available are now limited by provisions included in various appropriations.

Section 5 (c) of the Reconstruction Finance Corporation Act, added by section 5 of the act approved January 31, 1935 (49 Stat. 3; 15 U. S. C. 606 i), authorizes an increase not to exceed \$100,000,000 in amount to enable the Corporation to subscribe for, or to make loans upon, the stock of national mortgage associations organized pursuant to title III of the National Housing Act, as amended, other mortgage-loan companies, and other institutions making mortgage loans.

The Department of Agriculture Appropriation Act, 1941, approved June 25, 1940 (54 Stat. 532, 564, 566; 15 U. S. C. 609 g-609 h), authorizes an increase of \$150,000,000, \$50,000,000 to provide funds which the Corporation is required to make available to the Secretary of Agriculture for loans pursuant to the provisions of the Bankhead-Jones Farm Tenant Act (50 Stat. 522), and \$100,000,000 for loans and purchases of prop-

erty pursuant to the Rural Electrification Act of 1936 (49 Stat. 1363), as amended.

The Department of Agriculture Appropriation Act, 1942, approved July 1, 1941 (Public Law 144, 77th Cong.), authorizes an increase of \$150,000,000 to provide funds which the Corporation is required to make available to the Secretary of Agriculture, \$50,000,000 for loans pursuant to the provisions of the Bankhead-Jones Farm Tenant Act, supra, and \$100,000,000 for loans and purchases of property pursuant to the Rural Electrification Act of 1936, supra, as amended.

Section 2 (c) of the Emergency Relief Appropriation Act, fiscal year 1941, approved June 26, 1940 (54 Stat. 611, 614; 15 U. S. C. 609 i), authorizes an increase of \$125,000,000, and the Department of Agriculture Appropriation Act, 1942, approved July 1, 1941 (Public Law 144, 77th Cong.), authorizes an increase of \$120,000,000, both to provide funds which the Corporation is required to make available to the Secretary of Agriculture for rural-rehabilitation loans.

Section 2 of the act approved June 25, 1940 (54 Stat. 572; 15 U. S. C. 602), amendatory of the Reconstruction Finance Corporation Act, as amended, authorizes an increase not to exceed \$300,000,000 in amount for the purchase of the stock of any Federal home loan bank, the partial retirement of the Corporation's capital stock, and the payment of dividends.

Section 602 of the National Housing Act, as added by the act approved March 28, 1941 (Public Law 24, 77th Cong.), authorizes an increase not to exceed \$10,000,000 in amount for advances to the Federal Housing Administration for the creation of a defense-housing insurance fund pursuant to said act.

The act approved February 24, 1938 (52 Stat. 79), and section 602 of the National Housing Act, which section was added by the act approved March 28, 1941 (Public Law 24, 77th Cong.), authorize and direct the Secretary of the Treasury to cancel obligations of the Reconstruction Finance Corporation incurred in supplying funds, upon direction of the Congress, for allocation to other agencies of the Government and for relief purposes. The amount of notes canceled pursuant to these acts aggregates \$2,738,724,131, which includes \$1,120,526,447 used for some of the specific purposes mentioned above and \$1,618,197,684 used for general purposes.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. VANDENBERG. In addition to placing the memorandum in the RECORD, is it possible for the Senator to indicate generally to what extent the R. F. C. will be able to commit the full faith and credit of the United States on its own independent loans after the proposed legislation shall have been enacted?

Mr. MALONEY. That is a question I sought to have answered at the hearing before the Committee on Banking and Currency, and because I was unable to get a satisfactory answer, for reasons which were obvious to members of the committee, I sought and received a statement which explains it with as much definiteness as is possible.

I am advised by the Reconstruction Finance Corporation that the amount is approximately \$10,000,000,000.

Mr. VANDENBERG. And that \$10,000,000,000, while representing securities issued by the R. F. C., the entire \$10,000,000,000 is guaranteed by the Government of the United States?

Mr. MALONEY. That is correct.



Mr. VANDENBERG. But not a nickel of it shows in the public-debt statement. Is that correct?

Mr. MALONEY. I am informed that that is correct, and that it is carried in a special record and in special accounts.

Mr. PEPPER. Mr. President, will the Senator from Connecticut yield to me?

Mr. MALONEY. I yield.

Mr. PEPPER. Is it not also fair to say that none of the assets of the Reconstruction Finance Corporation appear as assets of the United States Government?

Mr. MALONEY. That is my understanding.

Mr. VANDENBERG. I think that is true, and I think that should be said in fairness. The only point I am making is that we constantly delude ourselves by our public-debt figures, because so much of our national obligation is outside of the public-debt figures.

Mr. PEPPER. I am glad the Senator made that statement, and I think it is a fair comment. I have often felt that we frequently delude or mislead ourselves also in speaking generally of the public debt without speaking of the assets we have. For example, a great dam, or other great public improvement, will appear in the public-debt statement, but there is no credit side of the ledger on which the improvements appear. In the interest of sensible bookkeeping, I imagine all of us agree that it would be better if in some way or other the public improvements could be set up on an assets side, so as to show what we have done as well as what we have spent.

Mr. VANDENBERG. The difference between the two situations is that we have a statutory debt limitation. We are not supposed to go beyond the statutory debt limitation, but we have found a very convenient way of going beyond the statutory limitation any time we wish to do so, namely, by creating a corporation and letting it go beyond the debt limitation, the Government guaranteeing its obligations. While offsetting assets certainly should be considered by way of mitigation, I think that if we are to be candid with ourselves and with the American people from now on in respect to a public debt which is going to become astronomical, we should start in the direction of utterly candid bookkeeping, and the present bookkeeping certainly is not that.

Mr. MALONEY. It was partially because I had that thought in mind that I wanted this statement of the Reconstruction Finance Corporation printed in the Record with my statement.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. TAFT. It is my understanding that the Treasury has announced a new policy, namely, that hereafter it will borrow the money, and the borrowings will appear as part of the public debt; it will then buy from the R. F. C. the R. F. C.'s notes, which will then appear as an asset to the Treasury. I am not certain, but is it not the Senator's impression that that is the new policy of the Treasury, that gradually the R. F. C. debt will appear as part of the public debt?

Mr. MALONEY. I understand that that is the plan for the future.

Mr. VANDENBERG. It is impossible to proceed in that direction without a statutory amendment of the Public Debt Limitation Act, because it has already been collided with.

Mr. TAFT. I may say that the total outstanding debt of the Reconstruction Finance Corporation today is approximately only two and one-half billion dollars. Has the Senator any doubt that, Reconstruction Finance Corporation or no Reconstruction Finance Corporation, we are going to raise the debt limit in a short time?

Mr. VANDENBERG. No; but I say that we should have everything above the table from now on.

Mr. MALONEY. Mr. President, I should like to say in answer to the inquiry of the Senator from Ohio [Mr. TAFT], so that I may not be misunderstood, that that is what now appears to be in mind.

Mr. TAFT. But there are some outstanding Reconstruction Finance Corporation notes which do not appear in the Treasury statement.

Mr. MALONEY. Yes.

Mr. TAFT. As those mature they will be taken over and added to the public debt, but there are still today a number of Reconstruction Finance Corporation notes that have not been added into the public debt.

Mr. MALONEY. Yes; I so understand, to the extent of two and one-half billion dollars.

Mr. BYRD. Are the debts incurred by the Reconstruction Finance Corporation to be included in the direct public debt?

Mr. TAFT. I understand the policy of the Treasury hereafter will be to do all the borrowing itself, and then turn around and lend the money to the Reconstruction Finance Corporation, and take the Reconstruction Finance Corporation notes into the Treasury, and also those of other Government agencies. That policy was announced by the Secretary of the Treasury. It will take a long time to do it, because many of these notes have not matured, and they will not be incorporated in the general debt statement until they mature.

Mr. BYRD. Does the Senator understand that the same policy will apply to the other twenty-odd Government corporations?

Mr. TAFT. Yes; that is my understanding. Their obligations will be incorporated in the general debt statement when they mature. It may take 20 years for some of the notes to mature, but when they do, they will be included in the direct debt. That statement was made by the Secretary of the Treasury.

Mr. BYRD. Is that the understanding of the Senator from Connecticut?

Mr. MALONEY. It is my understanding that all the future borrowings of the subsidiary corporations and of the Reconstruction Finance Corporation must be included in the United States Treasury statement.

Mr. BYRD. Will they be included in the direct debt?

Mr. MALONEY. I have some doubt about it, and because I do not know I

shall not attempt to answer that question.

Mr. BYRD. I think the Senator from Ohio is mistaken about that, but if he is correct, then we should go back to the beginning of these corporations and include all their obligations, and give credit, of course, for the assets. While I hope the Senator from Ohio is correct, I fear he is not. I do not think it is the intention of the Treasury to include the obligations of these Government corporations in the direct debt.

Mr. TAFT. Mr. President, I read the statement with care, and I understood it to say what I have stated. Some of these corporations have notes outstanding which will take a long time to mature, and they will not be incorporated in the general debt statement until they mature and are replaced by new Government obligations, but that policy was laid down by the Treasury in very clear terms.

Mr. BYRD. The Senator understands that any new loans which are made by the Reconstruction Finance Corporation and these various other Government organizations, will be included in the regular public-debt statement?

Mr. TAFT. They will be included in the public-debt statement.

Mr. BYRD. And will be included in the total of the public debt?

Mr. TAFT. They will be included in the total of the public debt.

Mr. BYRD. I hope the Senator is correct, but I do not think he is.

Mr. TAFT. Not only will they be included, but they will be Treasury obligations instead of being guaranteed obligations, so they will have to be included.

Mr. MALONEY. Mr. President, with that explanation of this section of the bill, I should like to come to a discussion of what I think is the heart of this particular measure, and which is provoked by the hazards of war.

Mr. President, I may say, without apology, but rather with pride, that I am attempting to present this bill to the Senate on behalf of the able and distinguished Senator from New York [Mr. WAGNER] who introduced the bill. I have not asked him about it, but I presume the bill was introduced at the request of the Reconstruction Finance Corporation.

Mr. WAGNER. Yes; it was.

Mr. MALONEY. Consequently I do not know so much as I should like to know about what has gone on heretofore with respect to this very serious and now important subject of war-damage protection. I do know that it is a subject which had a long-time study in Great Britain; that it has been under study or in operation there for approximately 4 years. The bill, if passed in anything like its present form, will provide broad powers to the Federal Loan Administrator, the Secretary of Commerce, Mr. Jones. It was not possible for us in the little time we thought we had, to work out a program. It seemed wise—and I may say at this point that the bill had the unanimous approval of the Committee on Banking and Currency—to delegate the powers under the bill to the Federal Loan Administrator, but only

because, I may add, Mr. President, or rather in part because, we had the voluntary assurance of Mr. Jones that he intended to return to Congress at some little later time, to set forth such plans, or to explain to the Committee on Banking and Currency, or another committee, the status and progress of this plan. None of us can be certain that insofar as the continental United States is concerned, we will ever pay a claim under this bill, if it shall be passed. We believe that under this bill or some other bill, as the result of the disaster at Pearl Harbor, and the temporary loss of a part of the Philippine Islands to the enemy, there will at some later time need to be an adjustment of war-damage losses.

The committee felt—and I doubt if this is mentioned in the report, and it is for that reason I now mention it—I think the committee unanimously felt that there should be no effort at this time, or until there is a change in the situation, to adjust losses in locations which are temporarily under the control of the enemy, and, to be specific, I might point out such a case as that of Manila. The committee felt—I think I may say this for the committee—entirely in sympathy with the need for a protection retroactive to December 7 for the losses experienced on that day and since that time, but it did not seem to us properly possible to make a fair adjustment of losses existing in locations now under the control of the enemy.

The bill provides a very broad opportunity for coverage. In the language of the bill, the Loan Administrator—or the War Damage Corporation—is authorized to provide free protection up to \$15,000 to all property owners in the continental United States and its Territories.

I wish to make it clear at this point, however, that it is not mandatory under the bill we are now considering to provide free protection in that amount. To be specifically clear, there is no provision as to amount. Fifteen thousand dollars is the ceiling. The committee felt, because the hazards of war create a national problem, that the cost of protection against this hazard and the possible payments as the result of loss should be borne by the people of the United States as a whole and that the premiums or cost for such repayment, if any, should come out of taxes. Some members felt more strongly than others; but I think the entire committee finally came to the view—at least until given the benefit of further study—that above and beyond \$15,000 a premium should be charged. The Federal Loan Administrator assured us that he has been discussing this matter with insurance-company executives and officials. I think he told us that it was his plan to cooperate closely with the insurance executives of America in working out this program, which, so far as I know, has not yet advanced very far. The suggestion was made to the committee by a representative of an insurance company or companies that certain companies would like to participate in the program on a reinsurance basis, and that they were offering their complete cooperation to the Government in the matter of adjustments and

other services which are necessary in the field of insurance. This particular individual said that he felt that to a very great extent, supported by the Federal Government and the taxes of the American people, the insurance companies, with years of experience in the insurance field, and considerable experience in this field, could render a great service. Personally, I think that is true.

The coverage provided under the blanket policy, which may go up to \$15,000 per property owner or individual, would be a blanket policy. So far as we can now see there would be no written contract. The policy would cover all tangible property of Americans in the United States which might be damaged as a result of bombing or the direct hazards and effects of war caused by enemy attacks. The committee went a step beyond that. It made provision in the language of the bill for the War Damage Corporation to afford protection to the cargoes of vessels traveling between the United States and our Territories and other places. That not only means that the cargo of the vessel itself could be insured—and I may say parenthetically that the Maritime Commission has certain moneys and authority under existing law to provide like coverage—but it also provides for coverage of the personal effects of people traveling on such vessels.

The bill authorizes the War Damage Corporation to cover crops in the field. So far as I can see, it goes all of the way in providing limited protection against enemy attacks for the tangible property of Americans during this wartime period. I suppose I ought to say—because I am among those always reluctant to see the Government engaging in what is ordinarily private business—that I have a feeling that some of the insurance companies may have been lax in this instance. Some of them sometimes are. In fairness to them, however, I ought to say that perhaps they have not been sufficiently encouraged by Washington, as they sometimes are not.

The insurance companies ought to be in this field to some extent. It is surprising to me, if true, that they have not made a study of it during the past 3 or 4 terrifying years. If they have made such a study, I am a little amazed that there is not a program. Passing that by—because we must look ahead in this war rather than too much behind—I am very hopeful, and I may say confident as well, that the insurance companies will lend their efforts and the benefit of their experience and advice to the War Damage Corporation, the Federal Loan Administrator, and his assistants. I should like to assure them, if they need assurance, that their advice and assistance will be welcome. It is my own feeling that the insurance companies of the country will participate in this program, at least to some extent.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. VANDENBERG. Am I to understand from the language of the bill that there would be no liability about \$15,000 except as the result of an insurance contract for which a premium is paid?

Mr. MALONEY. That is not exactly the case as of this moment. Sometime ago, by regulation or order, a blanket policy was issued covering all the property in the United States to a reasonable extent. No amount was specified. That blanket, mythical, intangible policy—which, paradoxically, is real because it has the backing of the United States—is in existence at this hour, and as I understand will be in existence until this bill or one like it becomes a law. After that, should we pass this bill, there would be no insurance in effect beyond \$15,000 unless and until provision were made for the payment of premiums, and I assume the writing of a protection policy for those who want insurance in an amount in excess of \$15,000.

Mr. VANDENBERG. Such a policy would be in a specific amount, with a specific obligation?

Mr. MALONEY. That is our understanding.

Mr. VANDENBERG. Under \$15,000, what does the language mean? It says:

Such protection in an amount not greater than \$15,000 shall be so provided to the owner of any such property—

Does that mean \$15,000 per owner, or does it mean \$15,000 per property? Suppose 10 houses owned by the same man were destroyed. Would the damage be \$150,000, or \$15,000?

Mr. MALONEY. I regret to advise the Senator—because as I have earlier explained, I am among those who are regretful that some sort of program has not been worked out—that as yet there is no answer to that question. That broad power—and I pointed out in the beginning that broad powers were granted under the bill—has been left to the Corporation, and will have to be settled at some later date—I hope very soon.

Mr. VANDENBERG. Let me ask the Senator a general question. The Senator has referred to British experience, which, of course, has been prolific. How have the British handled this problem?

Mr. MALONEY. I will answer that question by saying to the Senator—and again without apology—that I did not introduce this bill. I did not know until the hearings were under way that I would be asked to handle it in the Senate. I have not had sufficient opportunity to become entirely familiar with the British program. I do know that the British have been paying premiums. I think that under all the conditions the premiums are exceedingly low. I think it will be amazing to the Senate when I state that from the brief studies I have been able to make I am advised that the total war loss from bombing in England has probably amounted to less than \$200,000,000. That was very surprising to me. Actually there has been a profit—if I may use the word—in the premium charges for war-damage protection in England. I understand there is a plan under way to reduce the charges for war protection in England, if the reduction has not already been made.

The coverage in England is compulsory and general. That would not necessarily be the case in the United States. England is a small, compact country. Every



person in England who owns property needs this sort of protection. There are many Americans in the midwestern section of our country who, if a premium were charged, might not believe that they were in need of protection. As I understand, in England there is a vast reservoir of funds coming in, as the result of the fact that all property owners are paying premiums. It is my understanding that until very recently the Government of Great Britain, insofar as real property is concerned, matched the premium payments of individuals. So, after this period of time, I am informed, they have a sizable fund out of which war damages have been paid or settled in part. There has not been, as I understand it, a definite effort on the part of Great Britain to adjust damages or losses in full; but, rather, Great Britain has made payments sufficient to put the property back in shape, let us say, so that people can live in it or do business in it. The Senate will readily understand that under a program such as this, without advance studies such as those undertaken by the insurance companies, it is difficult to determine the value of large or extensive properties. As of today we are operating under just that handicap. Our losses, if they were to come tomorrow, would have to be settled and paid for by the Federal Government without a very definite knowledge of what the property was worth today or last week.

So we are more or less feeling our way in this program. We do not know just how far we are going, or exactly in what direction. Mr. Jones does not seem to think so, I may say, but as I see it we are putting a rather heavy burden of responsibility on the Federal Loan Administrator and his associates and the War Damage Corporation. I should like to say that I get considerable comfort from the fact that we are so far away from our enemies, and additional comfort from the knowledge that up to now the losses in Britain seem to be so low under existing conditions—probably less than \$200,000,000.

There is provided under the bill, as the Senator knows, funds up to the extent of \$1,000,000,000. I have gone rather far by way of explanation because I wanted to give as much detail as I could in answering the Senator's question.

Mr. VANDENBERG. I appreciate that very much.

Mr. MALONEY. I have just now had handed to me, and I should like to read to the Senator, a statement of part of the British plan. I do not know that the language is the British language or the language of Parliament or of a governmental agency of Britain, but I shall read the statement:

The compulsory annual contributions with respect to real property and immovables amount to approximately 10 percent of the annual rental values of such properties, and are uniform throughout the country. Farm properties and land devoted to certain uses are assessed at a lower rate, and certain minor types of property are exempt from compulsory contributions. Compulsory contributions are collected by the Commissioner of Inland Revenue. The premium rates for policies of insurance on

movable business assets and certain types of chattels and goods are varied, averaging approximately 1½ percent of the value of such goods and chattels.

One familiar with the insurance business, and in particular the fire-insurance business, will realize that under existing conditions that rate is insignificantly low.

Mr. VANDENBERG. What the Senator is finally saying is that the bill in essence is a recognition and acceptance of what is probably an unavoidable obligation on the part of the Government, ahead of any possibility realistically to assess the details.

Mr. MALONEY. I guess, to answer the Senator's observation in a word, that the answer is "yes." I cannot let the remark pass, however, without pointing out that the Federal Loan Administrator has the British experience to guide him; he has the benefit of whatever mistakes or errors may have occurred in the British plan; and I cannot help but feel, despite the great difference between conditions in our country and those in England, that he is in a position to write a plan that will provide for our people even better protection than that which the British have been able to provide up to now for their people. I think it should be said here that we are naturally fearful of the possibilities of bombing, although we are doubtful that bombing could be very successfully undertaken over here; and if we are to take into account the experience of Britain, if there is any appreciable amount of protection purchased by large property holders in this country, there should be, as I see it, no loss or any great loss, to the Federal Government. It is even within the realm of possibility that we may derive a profit.

Mr. VANDENBERG. I thank the Senator for his explanation as far as it goes.

Mr. MALONEY. I shall be pleased to go further if the Senator can think of the questions.

Mr. VANDENBERG. It is not the Senator's limitation of information; it is the fact that we are legislating on faith, as the Senator very frankly says.

Mr. MALONEY. That is correct; and I regret it. I specifically pointed out that heretofore I think someone—and I do not think it was the Congress—had the responsibility of giving careful study to this subject. Perhaps a study has been made; perhaps it is available to the Federal Loan Administrator; perhaps it is now in his files. I have not that information; but on the basis of existing conditions, the possible dangers of bombing, and what we know about what has occurred elsewhere in the world, it seemed to the committee, as a result of the suggestion from the Reconstruction Finance Corporation, that we should act now. The hearings will show that the Secretary of Commerce or, rather, the Federal Loan Administrator was urged to work out the program speedily, because we could all foresee that, unless a definite program were worked out in advance of any possible bombings, the whole problem would be thrown into the lap of Con-

gress, and would create confusion, debate, and difficulty which might not very easily be overcome.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. MALONEY. I yield to the able Senator from Ohio.

Mr. BURTON. Let me inquire whether there has ever been anything of this kind before, either in principle or in fact, in the history of the United States. If not, will the Senator explain why it is desirable and wise to enter into such a program at this time?

Mr. MALONEY. Yes; I shall explain that, probably in a feeble sort of way. This is a new experience to the United States. It is my understanding that during the World War private companies engaged in this sort of damage coverage. The Senator knows that there were not very many planes then, that the airplane was not the important factor in war in 1917 and 1918 that it has now become. There is a burning controversy in Congress and elsewhere as to the importance of the airplane, whether or not it overshadows in importance other weapons of war; but we have existing now a hazard, a threat, and a situation of a kind that, until the vicious attacks were made on the freedom-loving countries of Europe, never before existed. We now have planes that can travel many thousand miles, carrying heavy bomb loads, and that are in the hands of fanatics and men who do not care so much for life as we do. So, while we hope no such thing will happen, we have a right to expect, and we should anticipate bombings in our country.

Mr. BURTON. Let me ask the Senator one more question, please.

Mr. MALONEY. Certainly.

Mr. BURTON. Do I correctly understand, therefore, that the occasion which really gives rise to the insurance feature of the bill is related to bombing, the new incidents which have come about, and the method of warfare, and perhaps goes back to the fact that war creates a situation somewhat like that of a catastrophe such as an earthquake or a flood in a city in the United States to which the United States has always responded as a matter of national interest, and has tried to spread all over the country the burden of a loss that occurred in one place and hour.

It is now proposed to provide insurance in the case of a bombing or other isolated incident of damage, rather than for what might be the result of an old-time war of invasion and the taking over of some of a country's possessions, such as has been experienced in years past?

Mr. MALONEY. The Senator has fairly well explained the matter; but I should like to emphasize a part of what he has said. Not only in times of disaster and flood in our own country have we appropriated money and turned it over to the Red Cross and other charitable organizations for relief to the localities affected in this country—the Mississippi Valley and other places—but, Mr. President, we have sent relief to Japan in its dark hour, to the extent of hundreds and hundreds and hundreds of thousands of dollars; indeed, I think I might use the word "millions," but I do not have the

figures at hand. Time and again Congress has appropriated money to help stricken people beyond our own boundaries, and I could not resist the opportunity afforded by the Senator's question to point out that, excepting for this kind of very generous treatment to peoples now fighting us in the Orient, Japan would not be nearly so well off as she is at this moment.

Mr. BONE. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. BONE. As I read the proposal, and listen to the explanation of the Senator from Connecticut, I gather that it would rest solely in the discretion of the Loan Administrator as to whether or not there would be up to \$15,000 recovery without payment of a premium.

Mr. MALONEY. That is correct.

Mr. BONE. Would that mean that the person who sought the protection would, first, have to make formal application for insurance coverage?

Mr. MALONEY. Not at all.

Mr. BONE. Is it intended to be a blanket coverage?

Mr. MALONEY. A blanket coverage exists now, without specifying the amount; the language, I believe, is a reasonable amount. It will become necessary, however, for the Federal Loan Administrator or the War Damage Corporation, in my judgment, pretty quickly to set a figure on this so-called free protection. The Senator raises a very important question. I am assuming that between now and the time the bill becomes a law, the figure will have been reached, and, in the interim, the people of the United States will be covered under this program and have the benefit of the blanket policy providing a reasonable protection.

Mr. BONE. Let me put it in a somewhat more concrete fashion. Let us engage in a violent assumption. Suppose there should be a bombing raid by the Japanese on San Francisco, and they were able to burn down the entire city, destroy it almost as completely as it was destroyed in the great fire of 1906.

Mr. MALONEY. I think the destruction then was less than 50 percent, although I am not sure as to that.

Mr. BONE. I saw the place afterward, and it looked bad enough to convince one that it was almost wiped out. If this bill should become a law, would it automatically provide for every person in that area insurance up to \$15,000 on the property that was destroyed?

Mr. MALONEY. It might. It would depend upon the decision reached by the War Damage Corporation.

Mr. BONE. What I am getting at is the text of the act. It would rest in the discretion of the corporation as to what amount should be paid?

Mr. MALONEY. The text of the act would provide no protection whatever for a catastrophe in San Francisco today or tomorrow or until the act is passed.

Mr. BONE. I understand that.

Mr. MALONEY. The people of San Francisco and all other people, as of today, have the protection provided in the order and coverage issued immediately after Pearl Harbor, which is protec-

tion to a reasonable extent and in a reasonable amount.

Mr. BONE. I understand that, but I am confining my inquiry to the proposals in this measure. If it becomes a law, would it not provide, in effect, almost automatic coverage?

Mr. MALONEY. No; not beyond an amount decided upon by the War Damage Corporation, and for less than \$15,001 unless between now and then an amount is fixed. Between now and that time the War Damage Corporation will, I am assuming, arrive at a figure for an amount beyond \$15,000. After this bill becomes law, the property owner must pay for protection. That is today's situation, I may charge.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. PEPPER. I cannot see anything wrong, I confess, with the principle that if the individual citizen loses his home or business because of a bombing attack as a part of the war in which the whole country is engaged the loss should not fall disproportionately upon him. In other words, I do not see why it does not come within the principle of the constitutional provision with regard to taking private property for public use, which gives the right of compensation.

So I should say that it is a shortcoming of the measure if it fails to give that kind of protection to the individual citizen. A bomb may hit your home or it may hit my home, or it may hit my neighbor's home, but it is an incident of war in which we are all engaged. I do not see why the whole people should not bear the loss of what may be the misfortune of any one individual or group of individuals.

Mr. MALONEY. I am assuming the Senator means up to a certain amount?

Mr. PEPPER. I do not see any necessity for a limitation, because, whether it is a private individual, a firm, an association, or a corporation, it is the property by chance, the unhappy chance, of the one who suffered. Take New York, for example. If one building is destroyed by a bomb and the buildings on either side are not injured, even if the building is owned by a corporation or someone else, I do not see any reason why any part of the loss should fall more heavily on the owner than upon the people of the whole country.

Mr. VANDENBERG. Mr. President, may I ask a question there?

Mr. MALONEY. I should like, first, to present my own view. I at first shared the view, let me say to the Senator from Florida, that he expresses. I have not yet completely divorced myself from that view; but it seemed to be the opinion of the majority of the members of the committee that, up to a certain point, premiums should be charged. My opinion was in accord with that of the Senator from Florida, but it was pretty hastily formed and was without study, so I did not press the matter. I do not know that I would now do so. The bill as reported seems to afford pretty wide protection to a great majority of our people, and that is seemingly all important. It ought to be said at this point and in this connec-

tion that there are interests on the west coast which were mentioned in the committee, and certainly comparable interests on the east coast, owning or controlling properties running to a value of many millions of dollars who are perfectly willing, we were advised, and I might say anxious, to pay a premium for this excess protection. I do not know how carefully the observation was made, but I do know that in some instances they had been buying this sort of coverage up to the 7th of December.

Mr. PEPPER. Mr. President—

Mr. VANDENBERG. Mr. President, if the Senator will permit me, I should like to interrupt first, because, perhaps, the Senator from Florida would have something to say on the point I want to ask the Senator from Connecticut. It seems to me that we can allow ourselves to be drawn into a very dangerous responsibility if we pursue the philosophy of the Senator from Florida, because, if the Central Government is responsible to a citizen for the destruction of his home by a bomb as an incident of war, why is it not equally responsible, in dollars and cents, to a business that is destroyed by the bomb of a priority order, for instance? What is the difference?

Mr. MALONEY. There is some difference, of course, as the Senator from Michigan knows. We have none of us as great a safeguard against war hazards of bombers as we have against the war hazards of a misplaced or ill-advised or, but probably necessary, priority order. We have some power to correct that. We are finding it pretty difficult, I must confess, but we have the power if we would use it.

Mr. VANDENBERG. One would be as fatal as the other.

Mr. MALONEY. The Senator knows, so far as I am concerned, I was very early anxious to do something about that situation. I wanted to train the troops in the bureaus.

Mr. VANDENBERG. What I am saying is that it seems to me there must be some delimiting line to the philosophy submitted by the Senator from Florida [Mr. PEPPER].

Mr. OVERTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Connecticut yield; and if so, to whom?

Mr. MALONEY. I yield to the Senator from Louisiana.

Mr. OVERTON. If we pursue that theory to its logical conclusion, it seems to me that the Federal Government should not simply protect property but also should protect human life, and endeavor to compensate for whatever loss there may be to a family when the bread earner is taken away.

Mr. MALONEY. Yes; I am afraid we shall yet have that proposal, Mr. President.

Mr. OVERTON. Suppose the father or husband is killed by a bomb; no protection is given to those who survive; but, under this theory, if some rich corporation should have one of its buildings destroyed by bombs, the corporation would be recompensed at the expense of the taxpayers.



If the Senator will further yield, I see no objection to a reasonable, very small premium charge on property valued, say, in excess of \$7,500. I can readily understand why it is not exactly insurance, because in order to get the benefit of it the owners of small homes, valued, say, at \$5,000, would have to make application, and the probability is that they would not make application and would not get protection; but, when we get up into the higher figures, it seems to me there ought to be some reasonable charge for premium.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MALONEY. I shall not yield to the Senator from Florida until I make a brief observation in connection with what the able Senator from Louisiana has just said.

I do not think it makes any difference, so far as the large corporation is concerned, whether it is charged a premium for the excess coverage, or whether it is taken out of the pockets of the taxpayers of the entire country, because the Senator from Louisiana knows that that is where, in the final analysis, it is coming from. We have the protection of the excess-profits tax. We have the intensifying demand of Congress and of the country that war profits be curtailed or completely erased. All those things enter into this particular situation. I am not much disturbed about whether we charge a premium to the large property owner or whether we provide him free protection, because I know that if a gasoline plant or a series of them are destroyed on the west coast, the consumers of gasoline over the country are going to pay the premium. I do not want to enter too deeply into that subject now. I shall try to discuss it later to the extent that it needs to be discussed here.

The committee has unanimously concluded, however, that we shall have a ceiling, for the time being, at least, of \$15,000. I should like to say, if it will give any comfort to the distinguished Senator from Louisiana, that, in my judgment, the Federal Loan Administrator is closer to his view of \$7,500 than he is to the slightly more generous attitude of the Committee on Banking and Currency.

Mr. OVERTON. Mr. President, if I may be permitted to make a further observation, I am not raising any objection to the \$15,000 suggestion contained in the bill. My argument was in opposition to the other theory advanced here, that there should be a protection and a coverage without any premium charge at all under any circumstances.

We have other disasters in this country besides war. We sometimes have huge floods that sweep away property, destroy human life, destroy farms and cattle and crops and all that sort of thing, and no compensation is made by the Government.

Mr. MALONEY. I should like to say to the Senator, for my own protection, that the opinion I gave was what the able senior Senator from Texas [Mr. CONNALLY] sometimes refers to as a "horse-back" opinion. I should not want

to give one that was definite until I had the benefit of the advice of experts, the insurance officials of the country. I should want to consult with them before I gave a definite opinion.

Mr. OVERTON. I think the Senator is quite right about that.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. MALONEY. Certainly.

Mr. PEPPER. The comment which I made a moment ago directed itself to a principle which I thought was important in this controversy.

I can readily distinguish the case mentioned by the able Senator from Louisiana, in which private catastrophe has happened to overtake a citizen, a hurricane, or a storm, or an earthquake, or something of that character. That is not a part of the common effort in which the citizen's country is engaged, and in which he has a part. That is not the taking in the public interest, as it were, of his property which entitles him to the moral benefit, under the constitutional principle, of fair compensation. It either is a matter of public responsibility or it is a matter of private responsibility in principle, one or the other. I do not think there is any more justification in principle for paying \$500 than there is for paying \$5,000,000. If we recognize that the loss occurs as part of a war hazard, then, just as the soldier ought to get his insurance whether he is a millionaire or a man who is worth only 30 cents, because it is what comes to one who loses his life in the prosecution of a war, I similarly feel that the property-owner, whether he is a large property-owner or a small property-owner, ought to get his redress and his compensation.

Mr. MALONEY. Let me say to the Senator at that point, if I may, that I think in principle he is right, and it was on that basis that I made certain observations in the committee; but I think that is largely offset by the fact that the large owners of private property seem anxious to get in their hands a contract providing a specific coverage, and seem very willing to pay the premium.

Mr. PEPPER. The other point is this: If \$15,000 is fixed as the limit, there are many kinds of small businesses that are worth a great deal more than \$15,000; so we are not limiting the compensation to the fair category of small business if we let that standard remain in the bill.

The last comment I desire to make is that I do not see anything extraordinary about the suggestion made by the Senator from Louisiana [Mr. OVERTON] that the Government should even compensate persons who lose their lives as the result of bombing. Suppose the head of a household loses his life by a bomb: Is it an abhorrent idea that the Government shall give redress to that man's family and dependents? I do not see anything monstrous about the suggestion. If he were a soldier at the front, and he lost his life, he would be entitled to certain compensation out of the Federal Treasury. If he is performing the duty of a citizen in a factory making bombs, and an enemy bomb falls through the roof and kills him, I do not see why the Government is supposed to shun any sense of

moral responsibility to that man's dependents. It seems to me it would be very proper to include in this bill provision for persons who lose their lives.

Suppose a man sustains an injury which results in his permanent disability, and his earning power is lost forever. He is a casualty of the war, just as much as is the soldier at the front. We know that war now has moved from the front to the homes of the citizens and to the factories where they work; and we shall ignore the actualities of modern war if, in the evolution of such measures as this we do not take cognizance of the character of modern war.

Mr. BONE. Mr. President, will the Senator yield for a brief statement at that point?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Washington?

Mr. MALONEY. I yield to the Senator from Washington.

Mr. BONE. I desire to say to the Senator from Connecticut that I did not rise in the beginning to comment on the ethics or morals of the proposal but rather to seek information.

The Senator from Florida [Mr. PEPPER] has referred to one or two matters which it seems to me raise some other pertinent questions. Perhaps I should not inject them into this debate, but they are closely allied to the principle he discusses.

If a great fire arises in a city, such as in San Francisco, it is a common danger, so recognized by the authorities on municipal law. A fire department, in order to quench the fire, may blow down a citizen's building, and do it in the common interest, and there can be no recovery. It is a matter of stern necessity; and the community does not make the owner of the building whole when it blows down his building with dynamite. That is another angle of this question of moral responsibility which has a legal basis. There is a further angle, and I am glad the Senator from Florida mentioned it.

It has been our practice to require the soldier who is tendering his life, 100 percent of himself, to pay premiums on his war-risk insurance. He does not get any war-risk insurance, as I understand the law, without paying a premium on his insurance policy. If there is anyone who knows any principle of law to the contrary, he can now so inform the Senate. It is my understanding that the soldier pays for every penny of insurance he gets. As the Senator from Florida pointed out, no one runs any greater risk than the soldier on the battlefield: yet he pays a premium for the insurance he gets, and God knows he is risking everything he has. He is not only running the risk of what may come to him, but he goes to the very source of the danger, and there subjects himself to every possible hazard of modern war. I do not wish to complicate the debate by dragging in every conceivable and possible legal aspect—

Mr. MALONEY. I hope the Senator will not do that.

Mr. BONE. But I do not want the Senate to pass this measure on the

theory that we are morally bound to take action of this kind, for, if we are to reduce it to the field of morals and of moral conduct, we should in the same bill abolish the necessity of paying premiums on war-risk insurance on the part of every soldier in the Army and every person in the Navy, because they are seeking the hazards of war; the hazards are not being brought to them.

Mr. MALONEY. I hope no Member of the Senate will take it upon himself to try to throw the country out of gear all at once. I hope we will proceed with prudence and caution.

Mr. BONE. I do not know what the Senator means by his reference to throwing the country out of gear. If this bill is getting it into gear, I am for it.

Mr. MALONEY. I was not in the Congress in 1917 when the War Risk Insurance Act was passed, but I assume the decision to charge premiums on war-risk insurance was reached after careful study by the Congress. I have no doubt that then, as now, there was probably a need for some self-restraint. The Senator from Washington and the Senator from Florida need not fear that the ideas they have in mind will not come before the Congress. They certainly will. Some of the proposals will be highly magnified. Some of the suggestions will be over-generous, because every man likes to aim at Utopia, but I beg Senators to realize that we have to be realistic, we have to take a practical, sensible view. We can go only so far. All of us would like to supply every last ounce and measure of protection to every last one of our citizens. I thought we went extremely far a few days ago when we provided that voluntary fire wardens and others would come under certain governmental protection as to compensation. I know enough about human nature to realize that there is going to be no shortage of claims in that particular department.

There is a limit, and the distinguished Senator from Washington, able lawyer as he is, knows that there is a limit, this side of our natural desires, and far this side of his very generous impulses. I hope that the Congress will not try to go too far too fast.

Mr. BURTON. Mr. President, merely in an effort to help define the limitations of the proposed act referring to the questions raised a few minutes ago, am I to understand that the proposed act would apply equally to tangible personal property, as well as to tangible real property, and therefore would apply to crops and cattle, although the colloquy indicated that it did not apply to cattle and crops, as well as to real estate?

Mr. MALONEY. I thought that I had tried to make clear earlier in my statement that it did apply equally to crops and agricultural properties.

If there are no further questions, I should be glad to conclude my statement, but I shall be pleased to attempt to answer any further questions Senators may wish to propound.

Mr. MILLIKIN. Do the words "enemy action" include sabotage?

Mr. MALONEY. That is a question which the committee did not take up, to

be frank with the Senator, but it seems to me—and I may point out that I am not a lawyer—that the broad powers of authorization granted would extend that sort of protection. In other words, it could be done by regulation.

Mr. CONNALLY. How could it be done by regulation if the law did not authorize it?

Mr. MALONEY. I think the language of the proposed act does authorize it and on such a complicated subject much must be done by regulation.

Mr. CONNALLY. If the law authorizes it, that is all right, but it is not a matter of doing it just by regulation. I am not in favor of the departments doing things by regulation unless we authorize it.

Mr. MALONEY. It is authorized in the bill. I used the word "regulation." There is no direction here that it be done, but it seems to me the power to do it is provided in the bill.

Mr. CLARK of Idaho. Mr. President, will the Senator from Connecticut yield?

Mr. MALONEY. I yield.

Mr. CLARK of Idaho. I think I am correct in saying to the Senator from Texas that the proposed act is not an authorization measure primarily. The R. F. C. now has the power to do everything the proposed act could possibly authorize. It can do it, and has done it through amendment of its charter. I am sure the Senator from Connecticut has previously explained this, but I was not on the floor at the time. The R. F. C. now has power, under its charter, to do everything it wishes to do, and it already has taken action regarding war damage insurance.

Mr. MALONEY. I probably did not say it so clearly and precisely as has the Senator.

Mr. CLARK of Idaho. It has already issued two proclamations, or Executive orders, prior to this time, covering, by blanket orders, any property lost after certain dates, which I fail to recall. All this measure does is to authorize the R. F. C. to give another \$1,000,000,000 to the War Damage Corporation—

Mr. MALONEY. The amount is a hundred million, with an authorization up to a billion.

Mr. CLARK of Idaho. The only thing the proposed act would do would be to place certain limitations upon the powers heretofore exercised by the R. F. C., or which the R. F. C. could exercise today without this legislation. Those limitations were written into the law by the amendment of the junior Senator from Connecticut [Mr. DANAHY].

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. TAFT. I question whether the R. F. C. has any power to set up an insurance corporation. My understanding is that the hundred million dollars that was used was from the President's discretionary fund, and I question whether the R. F. C. has power to set up a corporation which can go into the insurance business. It was granted very broad powers, to which I objected strenuously at the time, covering anything to do with war production or buying materials. There may

have been a final purpose, limited in some way up to \$200,000,000, perhaps for any purpose in the world, but that is the only possible justification for the Reconstruction Finance Corporation's action.

Mr. CLARK of Idaho. All I can say to the Senator from Ohio is that they have done it, and their general counsel expressed the opinion in the hearings, and it is in the record, that they had the legal right to do it. The Senator may be correct in his interpretation of the situation.

Mr. MALONEY. I should like to point out that among the powers which the Reconstruction Finance Corporation has is "to take such other action as the President and the Federal Loan Administrator may deem necessary to expedite the national defense program, but the aggregate amount of the funds of the Reconstruction Finance Corporation which may be outstanding at any one time for carrying out this clause shall not exceed \$200,000,000."

Mr. TAFT. I cannot understand how this will in any way expedite the war program. I cannot see how on earth it can do that. I question whether the R. F. C. has any power whatsoever along this line. It seems to me this has a limiting effect, and if we write in "enemy attack," I am of the opinion that the R. F. C. cannot insure against damage from some other cause than enemy attack.

Mr. CLARK of Idaho. That is correct, if we place a limitation in the law, but I was endeavoring to answer the suggestion of the Senator from Texas. This is not an authorization bill, and all we can write in, if the R. F. C. is correct in its conclusions, are limitations.

Mr. MALONEY. It occurs to me that we aid the national defense program to a very considerable extent by protecting the morale of our people. I can see how the organization of industry on the west coast, and probably on the east coast, to some extent, might be builded up or strengthened by this kind of protection, and I believe the morale of our people, so important to national defense, would be better under the assurance that the Federal Government, which is theirs, would extend them this amount of protection should the dark day come.

Mr. CONNALLY. Mr. President, the discussion has gotten away from the point raised by the Senator from Colorado [Mr. MILLIKIN], who asked if the language employed authorizing the R. F. C. to pay damages on account of enemy action included sabotage. Was not that the question?

Mr. MILLIKIN. Whether the words "enemy action" included sabotage.

Mr. CONNALLY. I merely asked a question about that, and the reply was, "Oh, no; it is not in the law, but they can do it by regulation." That is what I am protesting against. If it is not in the law, it has no business in the regulations. I do not know whether it is in them or not. But I can conceive of sabotage which would not be enemy action at all. Suppose a strike occurred. Suppose some rival unions engaged in controversy, and sabotage resulted; that



would not be the result of enemy action at all.

Mr. MILLIKIN. I should like to suggest that the word "attack" usually carries affirmative connotations which are not present in acts of sabotage.

Mr. CONNALLY. I was trying to express my resentment against the representatives of bureaus who come here and say, "No, it is not in the law, but we will do it by regulation."

Mr. MILLIKIN. I agree.

Mr. MALONEY. I hope the Senator from Texas does not include me as one of the representatives of bureaus.

Mr. CONNALLY. No.

Mr. MALONEY. I understood the Senator to talk about enemy sabotage.

Mr. CONNALLY. I did not say that.

Mr. MALONEY. I so understood the Senator. Enemy attack is covered by the provisions of the bill.

Mr. AUSTIN. On what page is that provision? I have been hunting for it.

Mr. MALONEY. It is on page 6, line 24; "from enemy attack."

Mr. AUSTIN. Does not that refer to military attack?

Mr. MALONEY. That, I presume, would be a matter of interpretation. I had better not get in too deeply; but perhaps it would be military attack if enemy agents blew up one of our plants. I do not know.

Mr. AUSTIN. This question is not easy to decide, as I know from an event which occurred in St. Albans, Vt., during the War between the States. There a raid was made starting from across the Canadian line. People were murdered; a bank was robbed, and when an attempt was made afterward to extradite the murderers, the question arose whether that was an attack or not. The question had to be determined by evidence of a military officer who was over the men who made the raid, and they were able to show that it was an attack. Otherwise, it would not have been an attack in the sense in which I understand the language is used in the bill. It would have been the mere commission of a crime by an individual, which would be a ground for extradition and punishment by the authorities of the State of Vermont. It turned out otherwise because of the fact that this group of men was able to show that they were operating under military orders. I believe the same principle is involved in the language in question.

Mr. MALONEY. Mr. President, I should like to say to the Senator and to the Senate that Mr. Jones assured us that he would come back to the committee when he had a program and definite plans. We urged upon him the necessity for acting quickly, and we pointed out to him what we felt to be the magnitude of his task. The very able Senator from Ohio in particular—and I think his view was shared by other Senators—expressed the hope that we would have at the earliest possible moment a specific program, and all of us regretted that we did not have a plan to act upon at this time.

Mr. President, I am anxious to conclude, and will conclude unless there are some further questions.

Mr. TAFT. Mr. President, I do not wish to detain the Senate more than a moment. I have a good deal of doubt about the principle of this bill. I certainly do not admit in any way the proposition advanced that the Government should recompense every loss arising out of the war, because it is an impossible conception; it cannot be done; we are not doing it. We are not repairing the breaches in families created by the draft. If we draft a man who is getting a salary of \$5,000 and pay him \$21 a month, we do not compensate him for what he loses in salary. We cannot compensate every business that is indirectly injured by the war. It is simply an impossible conception to carry out, and it never has been carried out. War is war, and the casualties of war have ordinarily rested upon those upon whom they have fallen.

When we find a perfectly definite thing we can do, then I think probably we should do it, and in this case we are following the British plan. There is this difference, however, that under the British plan no one gets any free insurance. The Government levies a compulsory premium on every property owner in Great Britain. If we could carry that plan through, we should do so. Unfortunately, in this country, under the Constitution, such a compulsory program would be a tax on property directly, and would have to be apportioned among the States by population, which makes it an impractical thing to do. So we had to consider whether we should insure property by the usual method, simply of letting anybody come in and get insurance if he wants to get it, which in the end probably would not cost the Government anything. The difficulty is that many people of small means would not come in and get insurance. If a bombing raid occurred and 25 residences were destroyed, and 5 of them had insurance and 20 did not have insurance, then the owners of the 20 uninsured properties would undoubtedly come here and file their claims, and Congress would pay them just as the Government would pay the other 5. It is almost an impossible situation.

So I think we are justified in giving some free insurance. There was some discussion in the committee whether it should be \$5,000 or \$15,000. Personally, I think \$5,000 is enough to protect the ordinary small residence. I think anyone who wants to be protected above that amount should take out insurance, and I do not have any question that anyone who owns a considerable number of houses will apply for this insurance. If Mr. Jones limits it to \$5,000, that is perfectly reasonable. If he wants to make the limit \$15,000, I think that is reasonable.

Replying to the Senator from Michigan, it seems to me the limitation is on the individual owner, and that if a man had six houses costing \$15,000 apiece, and they were all destroyed, he could collect only \$15,000. That is the way I read

the limitation which is placed in the bill. It seems to me that is the only reasonable way we can place a limitation at the present time.

I wish to call the attention of the Senate to one sentence which appears in the amendment inserted by the committee, at the bottom of page 6, as follows:

The Reconstruction Finance Corporation is authorized to and shall empower the War Damage Corporation to use its funds to provide, through insurance, reinsurance, or otherwise, reasonable protection against loss of or damage to tangible real property and tangible personal property which may result from enemy attack, with such general exceptions as the War Damage Corporation, with the approval of the Federal Loan Administrator, may deem advisable.

One feature of agreeing to compensate persons for damage is that a definite guide is provided. It is a fairly simple thing to insure property against damage by bombing, but if the phrase "enemy attack" is going to extend to the occupation of territory it opens up a practically indefinite field. For instance, in the occupation of the Philippines, probably after the army marches in, soldiers may do damage by simply treating the property roughly. The Government may confiscate property. There may be every conceivable kind of claim every time the Army knocks down a fence. In France there were filed a good many claims for fences which our Army happened to destroy in the course of the fighting. We may have every kind of indefinite claim. I think the situation should be made perfectly clear. I should like to have written an exception to make it clear that enemy attack does not include enemy occupation, but the committee finally thought that the War Damage Corporation would be taking a very great risk if they undertook to include in their insurance damage resulting from enemy occupation, and that a situation such as that in the Philippines, or growing out of any other occupation of territory, should be dealt with after the property is recovered, when we would have a chance to look over the whole field and not have a great many claims filed which would hang around Congress for the next hundred years. So I think it is very important that when this insurance is given it be confined to a definite and perfectly definable property, and that, so far as possible, the value of the property be determined.

The British have no limitation, but they have a provision limiting the amount of compulsory free insurance on personal property such as furniture. Everyone in Great Britain is compulsorily insured and pays the premium; but if he wants more than a certain amount of insurance on personal property he must take out additional insurance and have the property identified. I think some limitation on household furniture should also be imposed by the War Damage Corporation, because with respect to personal property the figure is perfectly indefinite. No one knows what the value of furniture is, and no one can find out what furniture was present when the damage occurred. There would be all

sorts of claims for jewelry and other articles which might be kept in houses. So I believe that if there is to be a limitation the Corporation should certainly set a definite limit on the amount of personal property which may be covered by free insurance.

Mr. President, I feel that we should pass the bill. The whole question of insurance is so complicated, the details are so countless, and there are so many things to be considered that I do not object to leaving it to the War Damage Corporation, after we lay down the general principle, to work out the complicated details.

Mr. VANDENBERG. Mr. President, without resisting in any degree the pending legislation itself, and admitting the war necessity for something of this nature, nevertheless I wish to repeat in essence what I said yesterday regarding the fiscal phases of all this recent legislation.

This pending bill contemplates, or at least authorizes, an additional expenditure of \$2,500,000,000. That makes total appropriations of \$37,500,000,000 in the last 6 Senate days. I am moved to paraphrase the poet:

Count that day lost  
Whose low descending sun  
Sees not another billion  
Flung at Jap and Hun.

Mr. President, if appropriations could win this war, victory is "in the bag." The point I wish to make again—and I made it yesterday—is that appropriations only start to win the war. After the appropriations are made in the first place they must be efficiently spent and efficiently managed. Never was there a better demonstration of the necessity for scrupulous efficiency on the part of the administrative officers of the Government than in this particular bill, which, as the able Senator from Connecticut in charge of the bill frankly says, must be taken substantially on faith. Not only in the Congress, but in the country, we have the right—aye, we have the duty—to hold our administrators to the strictest accountability for maximum efficiency and minimum waste, error, and exploitation in the management of the enterprises which we thus finance.

Secondly—and it is the thing which I rose chiefly to say—every one of these appropriations ultimately represents a tax upon the American people. I hope that as the country applauds us for our zeal and vision in providing appropriations to meet the emergencies—and I am quarreling with none of them—it will equally steel itself to as loyally accept the taxation which must come to the people if the internal economy of the country is to survive. I repeat, as I said yesterday, that as against thirty-seven and one-half billions of appropriations in 6 days the Senate Finance Committee thus far has been unable to find an acceptable formula to raise only \$7,000,000,000 in taxes. That gives you some idea of what lies ahead.

The tax burden which must come to the American people inevitably will represent a tremendous exaction and I hope that our constituents, as they contemplate the things we are doing, will realize

that we confront the inevitable necessity of ultimately translating these appropriations into taxes if we are to protect the Republic against economic disintegration internally, which can be just as fatal as anything that could happen to us externally.

We confront fabulous war hazards. Therefore, fabulous appropriations are inevitable—and certainly they have become fabulous when in 6 days we order expenditures equivalent to one-third of our entire annual income, and all this before we have even started upon the regular supply bills for the next fiscal year. Obviously, this means equally fabulous taxes. In other words, every dollar of appropriations finally represents an exaction from the pockets of the taxpayers. They must be prepared to give us the same cooperation in respect to tax bills that they give us with respect to appropriation bills, and they must contemplate a tremendous degree of sacrificial cooperation in this common effort. I think it is very well, indeed, to have that finality in mind while we are initiating the process which leads to the finality.

Let me make my point clear, Mr. President. I do not complain of these appropriations. I support them. There is no inexpensive way to fight this war. All I am saying is that there also is no inexpensive or painless way to pay for this war. Yes; and, of course, it would cost still more to lose it. But when we soon confront the grim, tough task of assessing unprecedented levies against our people, I hope there will be no reluctance here to also face this other irresistible duty; and I hope the people—all the people—who applaud what we do now will prepare themselves to face the tax consequences with the fortitude and the patriotism which will be required. Finally, reverting to my other initial thought, I have no doubt the people will thus respond if we give them the most completely efficient war administration of which we are capable; if we save them from every nondefense extravagance which rigid and conscientious economy can provide; if we stop every profiteer in his tracks—whether he works with his head or with his hands; in a word, if we vindicate and justify the sacrificial unity which all-out victory requires. We are as yet far from this goal. But let every patriotic impulse be dedicated to its quest.

Mr. LA FOLLETTE. Mr. President, I think it will appear to anyone who reads the Record that the Senate is proceeding in the dark so far as the pending legislation is concerned. I merely wish to point out that if we are to accept the principle that damages sustained to property through war, up to a limit of \$15,000, are to be shared equally by payments in restitution from the Treasury of the United States without any contributory premiums, we ought to be prepared to take the next logical step—I do not see how we can escape it—and provide insurance to the men in the armed services, many of whom are under fire, without exacting a premium from them. If the Standard Oil Co. of New Jersey is to be reimbursed for damage

to its Bayonne, N. J., plant up to \$15,000 without contributing a penny to the Treasury of the United States to help carry the cost of such insurance, I do not see how the Congress can decline to extend insurance to the men in the armed services of the United States without exacting a premium out of the soldier's compensation of \$21 a month.

Mr. PEPPER. Mr. President, let me address an inquiry to the able Senator from Connecticut, who is handling the bill.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MALONEY. I wonder if the Senator will not let us take action on the bill.

Mr. PEPPER. What I intend to say is relative to a proposed committee amendment.

Mr. MALONEY. I am sorry that I misunderstood the Senator.

Mr. PEPPER. In furtherance of the thought that was expressed a moment ago that we should not ignore, in my own opinion, the question of compensation or insurance of persons who may sustain loss of life or injury as a result of enemy attack, I wonder if the Senator would feel justified in accepting an amendment to the following effect:

The War Damage Corporation shall with all convenient dispatch make a survey of the subject of compensation and insurance for loss of life and injury to persons not in the armed services which may result from enemy attack, and report such recommendations as it may have to the Congress.

I have in mind the thought that the subject is worthy of study. I do not know of a more appropriate agency to study the question of damage to property by enemy attack. I wonder if the Senator will be agreeable to incorporating such an amendment in the bill.

Mr. MALONEY. Mr. President, I am not the author of the bill. The question as to whether I would agree to accept the amendment would not be important because my agreement might not have very great weight. Personally, however, I think it would be a very serious mistake to inject this new thought into this important bill at this particular time. It might provoke a controversy which would be far reaching and would delay affording the protection which might otherwise be sooner provided to people who may need it.

I do not know that some such plan as that which the Senator from Florida has in mind might not be worked out; but my immediate reaction to it is that it goes rather far. If I had to vote today "yes" or "no" on the question, I should vote "no," because it would seem to me that from the standpoint of the Government such would be the safe course—although with a chance to give the plan some study I might feel differently about it. The Senator can accomplish his purpose by a Senate resolution authorizing the committee to study such a plan. I am hopeful that the Senator will not press for such an amendment at this late hour, just as we are about to act, with some Senators absent. I say that principally because the matter can be



taken up without delay in another and what seems to me to be a more proper manner.

Mr. DANAHER. Mr. President, bearing on the subject which has just been opened up, it seems to me the record might appropriately show what was said in the committee on that point; and I respectfully ask unanimous consent that Mr. Jones' testimony, from the top of page 6 to the middle of page 17 in the Senate hearings, be incorporated in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Mr. JONES. Now, we have talked about rubber and sugar. I might talk a little about the war insurance. As most of you know, probably, due to the widespread fear of enemy bombing immediately following Pearl Harbor, particularly along the west coast and the Atlantic seaboard, I discussed the matter with the President and, with his approval, we created the War Insurance Corporation, allocated \$100,000,000 capital for it, and advertised that. We did not go into any great detail as to how it would be operated or what protection would be afforded.

I will read, if I may, the first press release that I made on that subject, which was intended, in itself, to be an insurance policy (reading):

"DECEMBER 13, 1941.

"With the approval of the President, the Reconstruction Finance Corporation has created the War Insurance Corporation, with a capital of \$100,000,000, to provide reasonable protection against losses resulting from enemy attacks which may be sustained by owners of property in continental United States through damage to, or destruction of, buildings, structures and personal property, including goods, growing crops, and orchards.

"Pending completion of details, any such losses will be protected from December 13, 1941, up to a total of \$100,000,000.

"Accounts, bills, currency, debts, evidences of debt, money, notes, securities, paintings and other objects of art will not be covered.

"For the time being, no premium will be charged for this protection, and no declaration or reports required, unless there is a loss.

"Other terms and conditions for such protection will be announced as established. No protection will be available to owners of property who, in the opinion of the President, are unfriendly to the United States."

That was dated December 13, 1941. On December 22, 1941, I made the following announcement, after conference with the President [reading]:

"DECEMBER 22, 1941.

"The War Insurance Corporation, created by Reconstruction Finance Corporation with a capital of \$100,000,000, will extend the same protection to property owners in Alaska, Hawaii, the Philippine Islands, Puerto Rico, and the Virgin Islands, as it does to property owners in continental United States.

"As previously announced, the War Insurance Corporation will provide reasonable protection against losses resulting from enemy attacks which may be sustained by such property owners through damage to, or destruction of, buildings, structures, and personal property, including goods, growing crops, and orchards.

"Accounts, bills, currency, debts, evidences of debt, money, notes, securities, paintings, and other objects of art will not be covered.

"When the plan has been fully worked out, it is expected that a premium may be charged for coverage of losses in excess of some stated amount. In the meantime, no application or report will be required unless there is a loss.

"Other terms and conditions for such protection will be announced as they are estab-

lished. No protection will be available to owners of property who, in the opinion of the President, are unfriendly to the United States.

"I put on that release the following note [reading]:

"Because of the great public interest in this subject, it is requested that this announcement be run in full."

There, again, it was intended as an insurance policy. We are now asking that you authorize the Reconstruction Finance Corporation, with the approval of the President, to advance funds up to \$1,000,000,000 to cover losses.

Senator MALONEY. Mr. Jones, your creation of this agency was under existing law, was it not?

Mr. JONES. Yes, sir.

Senator MALONEY. Have you discussed the matter with insurance companies?

Mr. JONES. Yes. We were told by them that they do not cover this character of insurance.

Senator MALONEY. They have not to a very great extent up to now. The reason I asked the question was because I recently talked with one or two insurance officials or executives, and they said they had some idea that the insurance industry might like to undertake this program or to participate in it. Has any such word come to your attention?

Mr. JONES. Yes; we have had a number of conferences with reputable representatives of insurance companies. They tell us that they will not carry this kind of insurance; that they cannot; that they do not have the reserves. Their charges would be so very high, if they undertook it, that it would be an imposition on the people who had to carry the insurance.

Senator MALONEY. I am inclined to agree with you; and I was rather surprised when representatives of private companies indicated that they might undertake this program. I think that one of them told me that England started out with just such a plan as you propose, and changed its system to some extent, and that private companies are now participating in the program there. Do you know anything about that?

Mr. JONES. We are studying their experience. There they have compulsory insurance; every one must take insurance and pay for it. I do not think we could have compulsory insurance in this country. A man in Nebraska, Iowa, or Kansas would not feel that he needed bomb insurance.

Senator MALONEY. I am inclined to agree with you. I assume that you think and the President thinks that even though a man does not want it and may not need it, he should, because it is a war risk, be required to pay his share of the cost?

Mr. JONES. To begin with, there was no time to consider how to offer insurance to people on the coast line, when we thought we might get bombed tomorrow or the next day or tonight. So we resorted to this procedure, under authority given, and set aside \$100,000,000 for that purpose, so that we could have time to come up and discuss the matter with Congress. It is my thought—and when I say that I am speaking of all of the executives and the people that I have conferred with including insurance people—that this insurance should be carried by the Government; it must be carried by the Government and perhaps largely at Government expense. We might employ the insurance industry to write it, but that might be expensive. We contemplate that where there is a loss we will ask the regular insurance adjusters to adjust that loss and report to us what they considered the loss to be. It has not been determined what percentage of the loss the Government will pay. There, again, there are many differing opinions. Some think we should pay a hundred percent of the loss; others think a lesser amount. For that reason we used the words "reason-

able protection," and for the time being we thought that would at least afford some consolation and protection. And there we are.

Senator MALONEY. I have the feeling that we should be prepared for bombing. I think this suggested undertaking is so tremendous that we ought not to wait too long, although we continue to hope the bombings do not come. The insurance people should be busily engaged now. Do you have any insurance people working with you?

Mr. JONES. We are conferring with them right along; yes.

Senator MALONEY. It would seem to me that it might be extremely helpful to us if the program could be worked out reasonably soon, at least an outline of it, because if bombing does come to a large city like New York it will be a lot more difficult for Congress to work it out at that point after people may have suffered tremendous losses.

Mr. JONES. It had not occurred to me, Senator, that Congress would want to work it out. It occurred to me that you would want to delegate that authority to somebody; and so, having authority to set up this corporation, we did so, because there was no time to come to Congress.

Senator MALONEY. I think you are entirely right, if you do work it out. But if you don't work it out, we will have to.

Mr. JONES. Oh, we will.

Senator MALONEY. But if it is not worked out until after the bombing comes, then Congress will have a very difficult time evading the issue.

Mr. JONES. Everybody now is reasonably covered by the \$100,000,000 provided. We could advance some additional funds under existing law, but not a great deal.

Senator MALONEY. One hundred million dollars is an insignificant amount when you talk about the bombing of one of our large cities. That is what a battleship costs.

Mr. JONES. I do not entirely agree with you on that, Senator. Bombing is not that serious. The result of a bombing is that it looks a lot worse than it actually is. The losses look terrible, but when you clean up and do the repairing I think \$100,000,000 would go a good way.

Senator MALONEY. I do not think so, myself; I disagree with you. If a bombing occurs, I think \$100,000,000 will be insignificant.

Mr. JONES. They may not be able to get planes enough over here to do very great damage. That is the reason that we are asking that we be directed to go up only to a billion dollars, which I think will be enough. If it is not, we can come back for more.

Senator MALONEY. I would like to ask the chairman a question at this point, if I may.

Has any request been made by insurance officials to be heard?

The CHAIRMAN. I think there are some here. Are there any insurance company officers here?

Mr. HAID. My name is Paul Haid, president of the Insurance Executives' Association. The chairman of the committee which has been working with Mr. Jones' people will be here tomorrow.

Senator MALONEY. I would like to ask for the record, if I may, whether or not any insurance company officials, other than those who have been cooperating with Mr. Jones, have asked for an opportunity to be heard before the committee.

The CHAIRMAN. Is Mr. Hopps here?

Mr. HOPPS. Yes, sir.

Senator RADCLIFFE. Mr. Jones, you stated you had been informed that the rates which would be charged by private companies would be very much higher than the Government would charge. Do you think that that result would necessarily follow? Would the savings be in the cost of administration? When you work out the matter from an actuarial standpoint, if the Government can do it very much more cheaply than private companies can, then the savings must result either from

some method of paying losses or in handling the business. Do you know why it is that the Government can do it so much more cheaply?

Mr. JONES. The insurance companies have to do it at a profit if they do it. They are supposed to include a profit; and they have their overhead—

Senator SMATHERS. And their reserves.

Mr. JONES. This press release [indicating] is an insurance policy. If there is a loss we will ask the insurance companies to employ their adjusters; and they have offered to do the adjusting for us at cost. So that would simplify the operation and make it about as economical and as satisfactory as possible.

Senator RADCLIFFE. Of course, if the companies adjust their own losses they could adjust them for themselves as reasonably as they could adjust them for you?

Mr. JONES. They do not have the losses themselves. If the property is privately insured we do not cover it; we do not cover anything that can be covered by private insurance companies.

Senator RADCLIFFE. If you are going to utilize the adjusters for private companies to make these adjustments, then I assume they could make those adjustments for themselves just as reasonably as they could make them for you?

Mr. JONES. Yes.

Senator RADCLIFFE. So there would not be any economy in the matter of adjustment.

Senator MALONEY. I think Mr. Jones is entirely right. The Government cannot do it any more cheaply than private companies can; but the Government is prepared to take a loss and the companies cannot do that. That is the case; is it not?

Mr. JONES. The insurance company must first write the policy. It must contact everybody in the United States who wants an insurance policy. Some man will say, "I don't want that. It is the Government's responsibility. This is the Government's war. If I have a loss, my Government ought to pay the loss." And you will probably have a situation confronting the Congress later where there will be losses that are not covered, and you will be appealed to to appropriate money to cover them. To us who have studied it, it seems very, very simple. If special war protection is to be provided, it should be by way of Government coverage. If we determine later to charge a premium we will do that, and then a man is either covered or not, as he himself determines.

Senator MALONEY. I would like to make a further point, if I may. The Government is not able to run an insurance business or any other business more cheaply than private industry is, but in this particular instance private industry just could not afford to take the loss. Is not that the point?

Mr. JONES. Yes.

Senator CLARK of Idaho. Pan-American Airways is awfully unhappy that their bases are not included. Is there any particular reason why the Canal Zone, Wake Island, Midway Island, Guam, and Canton should not be included in the bill?

Mr. JONES. I assume we will include, and we have intended that we would include, the Canal Zone. It was an oversight that we did not. Of course these islands are a war risk, and there is no way to make an adjustment until you can get over there to see what the loss is.

Senator CLARK of Idaho. They tell me that these islands which belong to us should not be left out of the bill, in any event, realizing, of course, the impossibility of making any adjustment at this time.

Mr. JONES. I think you are right about that.

Senator CLARK of Idaho. I have been asked to amend the bill later by putting those in. You would have no objection to that, I take it?

Mr. JONES. We can do that ourselves, by our own activities. We do not need an amendment.

Senator CLARK of Idaho. The bill provides that—

"Such protection shall be limited to property situated in the United States, including the several States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin and Philippine Islands."

So, if this bill becomes law, you might be limited by that language.

Mr. JONES. Yes; you are right. We should include some of them.

Senator BROWN. I am interested, Mr. Jones, in where the line is drawn between those things that will be covered by private insurance and those that will be covered by Government insurance, and I want to give you an example and see if I have the distinction rightly in mind.

Lloyd's of London and a great many American companies protect against the ordinary risks of storm, fire, and so on, and so forth. I take it that this bill would cover sinkings by enemy actions, such as the submarine sinkings that have occurred in the Atlantic. But I recall a collision that took place between two ships, just outside of Sandy Hook, about a week ago. As I understood it, those ships were running without lights, probably because of Government regulations. They were probably covered by private insurance; and yet the cause of the accident is connected to a certain extent with the war effort of the United States, that is, a regulation requiring running without lights. In a case of that kind would the Government take the loss, or would they?

Mr. JONES. That is maritime insurance. We do not provide for maritime insurance.

Senator RADCLIFFE. Did you say that you might not charge a premium?

Mr. JONES. That has not been determined. I have had a number of conferences with the President about it. We have had a great deal of discussion among ourselves and with insurance company executives, trying to determine what premium, if any, we would charge, and how we would levy it. But we have not reached a conclusion.

Senator RADCLIFFE. If you do not charge a premium, it is really, I suppose, not insurance in a technical sense but, rather, some plan by which the Government makes good any damage that is suffered.

Mr. JONES. It is really a protection, rather than insurance. Incidentally, some of the insurance companies have recommended that we call it protection rather than insurance.

Senator RADCLIFFE. That would seem to me to be a better term.

Mr. JONES. You are probably right about that.

Senator RADCLIFFE. The word "insurance" is a little bit misleading in that respect.

Senator BROWN. Under section 5g, page 3, I think you have the power to take care of maritime insurance.

Mr. JONES. But I think they already do that, Senator.

Senator BROWN. You mean private companies?

Mr. JONES. No; the Maritime Commission. They write insurance of their own.

Senator DANAHER. Mr. Chairman, may I ask a question?

The CHAIRMAN. Certainly.

Senator DANAHER. Why should we give property owners a free ride under this protection, and yet require all the boys that are sent into the service to pay \$6.60 a month for their coverage?

Mr. JONES. I cannot argue with you on that. Of course, this is property insurance.

Senator DANAHER. How much of the \$100,000,000 protection that you said was included in that insurance policy of December 13, 1941, should be used in the Philippine Islands?

Mr. JONES. That I do not know. We cannot get over there.

Senator DANAHER. It may all be gone, for all you know.

Mr. JONES. It might be. But we think also that Congress would make it good.

Senator DANAHER. I assume that the need for this war-protection coverage—let us call it that instead of insurance—arises because most of the private contracts exclude damage due to enemy attacks in time of war?

Mr. JONES. That is correct; all policies.

Senator DANAHER. All outstanding policies contain a declaration by the assured as to the value of the property they seek to cover, or at least the amount of coverage they buy; is not that correct?

Mr. JONES. I do not know.

Senator DANAHER. It is reasonable to think that is true, is it not?

Mr. JONES. Yes.

Senator DANAHER. Why would we not be justified in protecting those who have sought coverage to the extent that they are not covered, and charging them a premium for it?

Mr. JONES. Well, that could be done, I assume.

Senator DANAHER. Why should not we, as a matter of policy, demand that that much protection be granted to the Government itself in this situation?

Mr. JONES. Well, I cannot argue against that. Among other things, we have discussed covering everybody—getting back to the point of the men in the service—covering everybody up to \$2,000, \$3,000, \$4,000, or \$5,000, without a charge, and then if they want more protection, they must pay for it. That is one idea that has been advanced, and it has a lot of merit.

Senator DANAHER. Suppose there were some gasoline companies that had storage tanks on the Pacific coast, obviously open to attack at any time. I assume that many such gasoline and oil storage places are worth, let us say, \$10,000,000. A successful attack on one of them, wiping it out, would lead to a reimbursement of the full sum of \$10,000,000. Is that your plan?

Mr. JONES. As I say, we have not yet determined what percentage of loss should be paid. That would be a good deal like sinking a battleship. If such a plant should be bombed it would seem reasonable to assume that the Government should assume the loss. But when you come to towns and cities where bombing would be concentrated, they might bomb a building that was insured for \$10,000 and it would not be worth \$2,000, because of obsolescence. It would not be our thought that we should pay the total \$10,000 for that building that had been obsolete for 20 years. And yet the owner might have it fully insured. You can buy full insurance.

Senator DANAHER. He could not collect on it, could he?

Mr. JONES. Yes. He might show reproduction value. The building might be in the wrong neighborhood. Many things might happen. A lot of property is covered for more than its intrinsic value.

Senator DANAHER. If we required a premium on the basis of the amount that the property owner himself insures for and pays for, and if the insurance companies will adjust both for themselves and for you, we would be protected and so would the property owner; is not that a fact?

Mr. JONES. That is correct. That has been and is being considered.

Senator DANAHER. Has any consideration been given to the Government's taking only a fixed percentage of the possible value of any property to be covered?

Mr. JONES. I have discussed that. I have said that we have not determined whether it should be all or a part, or if it is a part, what part it should be, whether 75, 60, or 80 percent.

Senator DANAHER. What is your thought of the percentage as to which you have had discussions?



Mr. JONES. I do not think we ought to pay a hundred percent.

Senator DANAHER. How much less than 100 percent is the Government's fair risk?

Mr. JONES. I would not want to say. I mean by that, I would like everybody to help decide the problem and agree upon what is fair. Some people think we should pay 100 percent; others think we should pay 30 percent. If I had to make a guess—and I don't want to be held to it—I would say 75 percent.

Senator DANAHER. Have we ever had this type of all-over protection in time of war?

Mr. JONES. Not that I know of.

Senator DANAHER. Has the Government ever been called upon as a result of war activities, to make appropriations, making good or restoring to property owners their losses?

Mr. JONES. Some of these older Members of Congress would know.

Senator DANAHER. Does your experience, as a result of which you have created this company, give you any history of such a thing?

Mr. JONES. Do you remember, Senator WAGNER? You have been here a good while.

Senator DANAHER. I am not asking for any opinion senatorially. I am asking if, down in the Reconstruction Finance Corporation, when you created this Corporation on \$100,000,000, and which you cover under this insurance policy, as you call it, you had any history that the Government at any time, as a result of war, had made good losses because of property damage in war.

Mr. JONES. There may have been, but I did not look for it. This is a new kind of war—an aerial war.

Senator DANAHER. There were no discussions of any such history?

Mr. JONES. We were considering a condition. Here was a condition. In the minds of hundreds of thousands of people there was danger, and we tried to allay that danger.

Senator DANAHER. Have you considered at all extending any form of coverage as a result of injuries to individuals in time of war?

Mr. JONES. That has been discussed in our discussions; every phase of it.

Senator DANAHER. Do you contemplate setting up a corporation to take care of casualties in civilian populations in time of war?

Mr. JONES. Not beyond this.

Senator DANAHER. This does not cover them now, does it?

Mr. JONES. No.

Senator DANAHER. Do you understand that you would have the power, under your own creative powers, to amend your charter and extend it to cover casualties among individuals?

Mr. JONES. At this time we could; yes.

Senator DANAHER. That is your understanding?

Mr. JONES. Yes.

Senator DANAHER. So, if we do authorize a billion dollars, under 5¢ of the pending bill, you could amend the powers of the War Insurance Corporation and extend its coverage to casualties to individuals?

Mr. JONES. I do not know about that. I doubt it, unless we got some provision for it.

Senator DANAHER. Could you answer that, Mr. Hamilton?

Mr. HAMILTON. I think we have unquestionably the right to amend the charter, but the amount of funds available for purposes other than as defined in this bill is small. The use of this billion dollars, if this bill should be passed, would be confined to property damage.

Senator DANAHER. But there is no question in your mind of your power to expand, by amending your charter, your purposes, and cover casualty losses?

Mr. HAMILTON. That is correct.

Senator DANAHER. Then you would require more money, of course?

Mr. HAMILTON. Yes.

Senator DANAHER. And in the event that a billion dollars is insufficient, Mr. Jones, to give all-over protection to property in the United States and all its outlying possessions, of course under this theory we would be obliged to make good whatever losses people suffer in future above the billion dollars?

Mr. JONES. You mean, if the billion dollars was not enough?

Senator DANAHER. Yes.

Mr. JONES. I think the Congress would do it.

Senator DANAHER. What is the genius of this particular plan, then? Why do we not await the event and then appropriate or allow you to borrow whatever you need to make good the losses?

Mr. JONES. I do not think I understand you.

Senator DANAHER. Why should we do this at all if we are ultimately going to be called upon to make good the losses, irrespective of your billion-dollar limit?

Mr. JONES. I do not think your constituents would know whether you were going to do it or not. Now they know it is done.

Senator DANAHER. If we were not giving them a free ride from one end of Iceland to the other end of Borneo, so to speak, that would be one thing. But I do not understand why there is an obligation upon the Government to make good to everyone the damage he may suffer to his property in time of war, unless we are to recognize it as a principle that Congress should appropriate for it and make it good.

Do you recognize an obligation upon the Government to make good such losses of property?

Mr. JONES. I think so.

Senator DANAHER. Then, if there be such an obligation, why should we limit it to a billion dollars? Why should we not await the event and pay whatever the loss is in due course?

Mr. JONES. I do not see any point to the argument.

Senator DANAHER. It is not an argument; it is a question.

Mr. JONES. Well, whatever you call it. I can't imagine that you would ever lose more than a billion dollars.

I remember that a long time ago I saw a show called Alias Jimmy Valentine, in which there were two children who were planning to do something.

They said, "We will ask father for \$50,000."

By and by father came in and asked, "Why do you ask me for \$50,000?"

Their reply was, "Well, father, that is the most we could think of."

I could not think of more than a billion now. [Laughter.]

Senator DANAHER. Well, I do not want to suggest that you have lighter fingers than Jimmy Valentine. [Laughter.]

Mr. JONES. I would like to have.

Senator DANAHER. My only point is that if we are to seek through bare coverage, through adjusters' services, an appraisal of loss, and ultimately to pay all the losses, whatever they be, pro rata, then why should we give you authorization now to borrow another billion dollars to set up one more corporation to do what we are ultimately going to do, only a billion dollars may not even be a fair measure of the total.

Mr. JONES. We do not borrow unless we need it for this purpose. Incidentally, if we adopted your plan, this would be a very simple formula by which to do it.

Senator DANAHER. Provided we covered those already covered and then made them pay a premium for the balance?

Mr. JONES. We could do that.

Senator DANAHER. If as a matter of policy we should do it, you would have no objection?

Mr. JONES. I certainly would be glad to do anything Congress directed me to do.

Senator DANAHER. Oh, I know that; but as a matter of policy would you agree that it would be wise for us to do it?

Mr. JONES. I am not prepared to say that I would. I have given a lot of thought to it, too.

Senator DANAHER. What is your reason why we should not?

Mr. JONES. I do not know that I would be able to present them all to you.

Senator DANAHER. I ask for only one.

Senator MALONEY. Might I make one for him?

Senator DANAHER. My colleague is too nimble. I would much rather hear from Mr. Jones.

Mr. JONES. What was the question?

Senator DANAHER. You said you had given a lot of thought to whether the War Insurance Co. or Corporation should or should not require a premium from the property owner. I asked you to give one reason why a property owner should not be required to pay a premium.

Mr. JONES. Why he should not?

Senator DANAHER. Yes.

Mr. JONES. Well, I don't believe I will give it to you, and I will tell you why; not that I am discourteous.

Senator DANAHER. Oh, I know that.

Mr. JONES. I intend to get all the advice and counsel I can on the subject and to consider it all pro and con and then try to reach a decision as to what should be done.

Senator DANAHER. Well, you understand that that is part of our function, too, and one reason why we ask your advice is to know what ought to be done. If in the light of your conferences with insurance company and counsel you cannot give us any, I want to know if we cannot postpone action on this until you have canvassed this situation.

Mr. JONES. That is for the committee to decide.

Senator BROWN. Mr. Chairman, I should like to call attention to the fact that there has been before the Congress of the United States for something over 120 years a controversy between insurance companies and the heirs of owners of ships which were destroyed in the Barbary Coast wars shortly after 1800.

On two or three occasions from that time down to the present we have paid out as much as \$2,000,000 to the shipowners at one time. A good many times the Congress of the United States has passed bills which various Presidents have vetoed.

The last and final claims were before a committee of which I happened to be chairman, and they were presented very fully to us about a year ago. I think the claims there were something like \$1,500,000, still based on occurrences, the destruction of American ships, in the trouble we had with France along about the year 1800.

If we adopted the suggestion of my good friend from Connecticut, we would have just that kind of situation. I think it is far better to take care of the situation by doing it beforehand than to leave the matter as it now is.

I tried to put a period on these French spoliation claims by reporting the matter adversely to the Congress, but there is nothing to prevent the Senator from Connecticut or the Senator from Massachusetts or anybody else from putting in a new bill and still asking for this \$1,500,000 based upon occurrences of 120 years ago. That is history.

Senator DANAHER. May the record show that I have made no suggestions? I have asked questions in an effort to receive full advice as a result of Mr. Jones' conference with the insurance executives and others. All my examination is in the direction of eliciting information.

Senator BROWN. The Senator gets his ideas across when he asks questions, nevertheless. Senator CLARK of Idaho. Mr. Jones, what is your thought with regard to the ownership of this property? Is it the plan, for instance, to compensate foreign owners?

Mr. JONES. What?

Senator CLARK of Idaho. Would it be contemplated by you, if you have given it any thought, to compensate foreign owners?

Mr. JONES. For example?

Senator CLARK of Idaho. Suppose the Swedes, the Dutch, or the British owned property in, we will say, Hawaii.

Mr. JONES. I doubt it.

Senator CLARK of Idaho. There would certainly be no obligation upon our Government to compensate anyone other than the inhabitants of those Territories or our own people there, or would there?

As I understand it, there are some large holdings by, I think, the Royal Dutch Shell; and some of the foreign-owned oil companies certainly must have rather substantial properties in Hawaii. I myself do not know, but Mr. KING, who is here, would probably know. In any event, it is possible, if not certain, that there are foreign-owned properties.

It would be contrary to my way of thinking to have foreign owners compensated. But then I hope that that will be given some thought, because we could get into an awful "racket" there very quickly.

Mr. JONES. It will be given thought. I am glad you raised the point. It really has not been fully considered.

Senator MALONEY. I should like to make an observation in connection with the question of my colleague, and I do this only in an attempt further to develop his thought. My colleague is a very able lawyer and has great knowledge of the insurance business. He and I represent a State that is recognized as outstanding in the insurance field.

I just do not believe at this point that we should charge a premium, because the coastal areas, if there are bombings, will be the areas most likely affected.

The people of the inland States are not likely to want insurance. There are countless people living in the more dangerous areas who would not buy the insurance either, because they would not want to pay the premium, or some of them would not have, for reasons that are obvious, an appreciation of the need.

I think that if there are bombings and there are great losses on either of the coasts, all the people of the country should share the burden, and I think at this moment that the only way we can get a proper premium is by sharing the cost, and that it should come only through taxation.

Senator MURDOCK. Is it not your opinion, Senator MALONEY, that a corporation such as has been created can do the job much more efficiently and much more expeditiously than Congress can do it by the consideration of individual claims which would come to us, as Senator BROWN has pointed out, from the time of the loss for another 50, 60, or 70 years?

Senator MALONEY. I will answer the Senator in this way: I think that a Government corporation or a private corporation could do it much more efficiently than the Congress. I think that a private corporation could do it more efficiently than the Government corporation, I might say, because of the experience it has had in that particular field.

I should like to remind the Senator that regardless of how we attempt to do this, we cannot prevent claims from coming to Congress, just as claims have come for a period of 120 years, as the able Senator from Michigan has pointed out. We will have claims after this war just as surely as this Government endures, regardless of what we do about this matter now.

Senator MURDOCK. I think that that is true, but I think that the number of them—the volume of these private claims—that is

certainly one of the greatest burdens of Congress today, will be largely eliminated.

Senator MALONEY. The Senator is entirely right, if we work it out in advance.

Mr. DANAHER. Mr. President, I desire to make one further observation. As one who has been in close attendance upon the work of the committee, I wish to congratulate my distinguished colleague for the able presentation he has made of the bill. It is a splendid piece of work.

The PRESIDING OFFICER. Did the Chair correctly understand that the Senator from Florida offered an amendment?

Mr. PEPPER. No, Mr. President; I was merely making inquiry.

The PRESIDING OFFICER. If there be no amendment to be offered to the committee amendment, the question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill (S. 2198) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the financing of the War Damage Corporation, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes."

Mr. WAGNER. Mr. President, I wish to express in this public manner my gratitude to the distinguished senior Senator from Connecticut [Mr. MALONEY] for his very able presentation of the war-insurance bill of which, at my request, he was kind enough to take charge in the Senate.

#### RESIGNATION OF STUDENTS FROM NATIONAL YOUTH ADMINISTRATION

Mr. BYRD. Mr. President, I am in receipt of a communication signed by the students of Harding College, of Searcy, Ark., apprising me that as a duty they felt they owed their country in the grave emergency confronting us they had requested the National Youth Administration to remove their names from the National Youth Administration pay roll, effective February 1, and that the allotment of N. Y. A. money which had been coming to Harding College for their assistance be thenceforth used in the defense program.

These students state in their letter that in view of the decided scarcity of labor in that community they believe they can find other jobs to help them continue to make their way through college.

I ask unanimous consent to have the letter to which I have referred printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HARDING COLLEGE,

Searcy Ark., January 24, 1942.

Hon. Senator HARRY F. BYRD,

Chairman, Senate Office Building,  
Washington, D. C.

DEAR SENATOR BYRD: We, the entire group of Harding College students receiving National Youth Administration assistance, herewith enclose to you copy of a letter which we have just sent to Secretary Morgenthau.

You will note that we are requesting that our names be removed from the National Youth Administration pay roll effective February 1, 1942, and that the allotment of National Youth Administration money which has been coming to Harding College for our assistance be thenceforth used in the defense program. We have the approval of Harding College in making this request.

We are confident that we can all find other jobs whereby we can continue to make our way in college. In fact, we observe a decided scarcity of labor which is affecting our own community.

We are persuaded that similar conditions prevail throughout the Nation. We are wondering if other students now receiving National Youth Administration assistance could not likewise find other jobs instead, and if they, too, would not be happy to contribute their share of the National Youth Administration money to the defense program of the Nation instead of receiving it for themselves.

We would like to urge that an investigation be made to find how many National Youth Administration students would be willing to do likewise, and if it should be found that other communities like our own do provide opportunity for young people to find other jobs, that the National Youth Administration appropriation be eliminated and that appropriation used in our urgent defense program.

Very sincerely yours,

Signed: John E. Sands, Caudell H. Lane, Billy T. Anthony, Joseph A. Lea, Frances W. Williamson, Doris V. Healy, Era M. Ellis, Shelton W. Ruebush, Betty M. Chambers, Mary Z. McCullough, May B. Holbrook, Thomas A. Farnby, Marguerite E. O'Banion, Johnnie O. Anderson, Lola B. Nossaman, Axel W. Swang, Elizabeth Arnold, Clara Belle Duncan, Sarah Beth Brown, Claude Richardson.

Mr. BYRD. Mr. President, this action on the part of these patriotic young men and women at Harding College, who are anxious to contribute their bit to their country in this day of great national peril, aroused the indignation of Mr. Aubrey Williams, Director of the National Youth Administration. Mr. Williams went so far as to issue a public statement, and in an interview is quoted as taking a slap at Dr. George S. Benson, president of Harding College, and calling Dr. Benson a "ring-leader in the so-called economy drive."

When every dollar of the resources of America is needed to meet the crisis now confronting us, Mr. President, it is a most remarkable procedure that an arrogant and dictatorial bureaucrat should attempt to condemn patriotic citizens who are anxious to help their country in this emergency. One would think Mr. Williams would welcome such a statement as that made by the students of Harding College, who said they would save and work so they could pay their way through college and not be dependent on the Federal Government. Director Williams evidently prefers to destroy the initiative and the self-reliance of the American youth and to condemn those who attempt to make themselves self-sustaining.

If Dr. Benson is a ringleader in the economy drive and if there is anything odious attached to this title, as Mr. Williams appears to think, then the Secretary of the Treasury, Mr. Morgenthau, is likewise a ringleader, because he signed the report recommending abolition of the



N. Y. A., excepting its defense activities. If Dr. Benson is a ringleader, so likewise are such distinguished Members of the Senate as the Senator from Georgia [Mr. GEORGE], the Senator from Virginia [Mr. GLASS], the Senator from Tennessee [Mr. McKELLAR], the Senator from North Dakota [Mr. NYE], who also signed the report, and such distinguished Members of the House as Representative DOUGHTON, Representative WOODRUM of Virginia, Representative CULLEN, Representative TREADWAY, and Representative TABER, who likewise signed the report.

On the same day Mr. Williams was issuing his denunciation of Dr. Benson because of the action of the students at Harding College, the Under Secretary of the Treasury, Mr. Bell, on behalf of Secretary Morgenthau, wrote to Mr. John E. Sands, one of the students who voluntarily gave up N. Y. A. assistance, and congratulated him and the others for their patriotic action. The letter from the Under Secretary of the Treasury I shall read:

MR. JOHN E. SANDS,  
Harding College, Searcy, Ark.

DEAR SIR: On behalf of the secretary receipt is acknowledged of the letter dated January 24, 1942, signed by you and students associated with you who are receiving National Youth Administration assistance at Harding College. It is noted that your group desires to be eliminated from the National Youth Administration pay roll effective February 1, 1942, and to have the amount allotted to Harding College, which would otherwise be payable to your group, used for national defense purposes.

The Treasury appreciates the patriotic spirit evidenced by you and your associates in taking this direct step to contribute to the reduction of our nondefense expenditures. Your proposal to go out and labor in your community to pay your way through college shows that the self-reliant spirit of our early American citizens is still alive.

There is no action which the Treasury can take to give effect to your request to be dropped from the National Youth Administration pay roll and to use for defense purposes the funds that would otherwise be paid to you, because under our laws the amounts appropriated for operation of the National Youth Administration program and the responsibility for that program come under the jurisdiction of the Federal Security Administrator. Accordingly, I am transmitting a copy of your letter to the administrator for his attention.

Very truly yours,

D. W. BELL,  
Under Secretary of the Treasury.

#### ORDER FOR CONSIDERATION OF UNOBTAINED-TO CALENDAR BILLS

MR. BARKLEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning with calendar No. 1006, which is where we left off at the last call.

THE PRESIDING OFFICER. Without objection, it is so ordered.

#### TRIBUTE TO MOTION-PICTURE STARS ATTENDING THE PRESIDENT'S BIRTHDAY BALL

MR. LUCAS. Mr. President, over the past week end we, here in Washington, had the unique privilege and enjoyment provided by a notable group of Hollywood stars and featured personalities present for the diamond jubilee celebration of the President's birthday.

We are fortunate that this is the seat of the Government and the home of the Commander in Chief, since the organized motion-picture industry cheerfully makes this annual contribution as symbolizing its affection for a great American and the humanitarian cause which is closest to his heart. They come to see the President, to share his hospitality, and we are the beneficiaries of these visits which have evolved into gala public occasions.

Regardless of the seriousness of these wartimes, and the all-out effort which animates us all, there must be occasional periods of relaxation; moments when we can forget temporarily the troubled state of the world and find respite in fun. And so for an evening of furlough, which was crowded with pleasant contact with those who are held high in public esteem, Washington bends low to the mighty ones of the screen. They gave us a lift, and, in so doing, helped to swell the fund which the Nation is raising to wage war on another front—against the crippling ravages of the infantile-paralysis germ.

The amusement world is ever active in aiding worthy civic causes, and sensitive to the extra demands of the Government and its affiliated agencies. The Defense bond sales have been stimulated by the support of Hollywood, and America will ever remember with deep gratitude the tragic trip which cost the life of Carole Lombard while giving voluntary service to the Treasury Department. Actors have invariably sustained the Red Cross drives; they enlisted in the campaign to raise funds for the United Service Organizations and Camp Shows, Inc.; they are touring our military establishments at their own expense to brighten the lives of our soldiers and sailors. Recently a group went in four Army bombers to the far-off Caribbean bases to lighten drab military routine, and some will soon go to Iceland.

The motion-picture industry, as we all know, is a unique part of our productive pattern. Sometimes, too, it is baffling to those outside looking in and looking on. It is distinctive and bewildering because it is continually facing the two extremes of enthusiastic praise and bitter blame for its activities and industry policy. In either extreme, however, it is constantly in the limelight, and it seems to accept this position with a calmness and confidence born of exposure to both throughout the years.

I make this point because there is no wish to embarrass the film industry with the praise I am about to bestow upon it. It can just as readily come about that, even as I am allocating the laurel on this occasion, a voice in some part of the country, or the world, may be raised in censure for some other phase of its many-sided activity.

To the stars and featured players, then, God speed you to busy marts of production. May you continue to prosper and grow in public affection as you sustain civilian morale, aid the armed forces, and bring into our lives the moments of enjoyment which are essential, even in wartimes.

To the executives, directors, publicists, committees which made the Washington

celebration memorable, our thanks. The Hollywood Victory Committee and Mr. Edward Arnold deserve an extra bouquet for coordinating the efforts of the Washington entertainment committee, headed by Carter Barron and his associates, with the attained objective, an evening that will live in memory's archives as one rich in pleasure, and productive of a handsome monetary contribution to a good cause.

MR. PRESIDENT, just one word further. Not in the annals of man will there be found a more outstanding triumph over physical adversity than that of our beloved President. Fortitude, perseverance, patience, stamina, tenacity, grit, courage, and, with it all, wholesomeness of purpose, have never been more strikingly exhibited. We are indeed fortunate in having Franklin D. Roosevelt as our President and Commander in Chief today.

#### ACTIVITIES OF NATIONAL LABOR RELATIONS BOARD—STATEMENT BY CHAIRMAN MILLIS

MR. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a statement just released by Dr. Harry A. Millis, Chairman of the National Labor Relations Board. The statement outlines the activities of the Board during the past fiscal year, as set forth in its annual report to Congress. The statement discloses a record by the Board of increasing usefulness and importance in strengthening the foundations of industrial peace through collective bargaining and free organization of labor.

I call special attention to the concluding statement of Dr. Millis:

That American labor, having escaped the sterile repressions of Hitler Germany, has learned to use its protected right of self-organization, and that American employers have advanced far toward making collective bargaining the accepted practice of an industrial democracy.

THE PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

The statement is as follows:

#### STATEMENT OF H. A. MILLIS, CHAIRMAN, NATIONAL LABOR RELATIONS BOARD, ON SIXTH ANNUAL REPORT

The activities of the National Labor Relations Board during the past fiscal year, as submitted in the Board's Annual Report to Congress, should be examined in relation to the over-all efforts of the Government to insure industrial stability and full war production.

The framework of the Nation's war labor policy has now been made apparent. A War Labor Board has been established for the speedy resolution of those disputes which have not yielded to prior conciliation efforts. Both the War Labor Board and the Conciliation Service will, by and large, be concerned with issues of wages, hours, working conditions, and those further points which arise between men and management under adjustments to accelerated war production.

Underlying the national ability to resolve such economic disputes promptly is the necessity that the negotiators for labor truly represent majority memberships and that their organizations themselves be free from domination and interference from the other bargaining party, the employers. This protection of the basic procedures of collective

bargaining has been and will be the field in which National Labor Relations Board operates. Although this function is generally understood, it may be well for the sake of present clarity to reiterate that the Board under its act must leave the conciliation or mediation of economic disputes to the other agencies, and that in turn the Board's jurisdiction to prevent unfair labor practices and conduct employee elections is exclusive to it.

If these interrelationships of the agencies concerned with industrial peace are held in mind, the trends appearing during the past fiscal year encourage faith in the ability of employers and employees to maintain industrial peace without jeopardizing democratic rights.

The most significant fact in the fiscal year data is the vastly increased desire of the workers to determine their bargaining representatives. More than a million sought the Board's assistance in this, and nearly three-quarters of a million valid votes were cast in Board secret elections. Seventy percent of these votes, a new high, were cast for nationally affiliated unions.

Rapid organization by labor during war periods is usual. Currently it appears that this interest on the part of labor accelerated step by step with increasing production of defense materials. Of corollary significance is the fact that four workers out of five in Board cases were employed in the war industries. Iron and steel ranked first, then in order: Transportation equipment, machinery, textiles, automobiles, food, and electrical machinery.

The Board during the year conducted 2,566 elections or pay-roll checks, and by such means, or by the dismissal or withdrawal of cases lacking in merit, it closed 3,698 representation cases involving 1,055,243 workers.

When in March 1941 the incoming cases of all kinds began for the first time in years to exceed 1,000 cases a month, the Board declared priority of handling for all defense production cases. Speedy determination was greatly aided by the willingness of employers and workers to consent to elections or pay-roll checks rather than force the issue to public hearing and Board decision. Thus, of 1,984 cases settled informally, 1,329 were closed by consent elections, 328 by pay-roll checks, and 327 by recognition of majority representation without need of elections or checks.

Additional time in handling formal election cases was saved by the assignment of regional staff members to conduct public hearings, instead of using for that purpose the limited number of trial examiners operating out of the Washington office.

An interesting shift took place during the year in the numerical ratio of unfair-labor-practice cases to representation cases. Until this past year began the Board had received about two complaint cases to every one representation case. During the year the proportion became about one to one.

While from this it appears that discharges for union activity, domination of labor organizations, and refusals to bargain are relatively giving way to the more constructive issues of representation, the actual number of unfair-labor-practice cases increased over 1940. The full picture of the 9,151 cases received shows a rise of 22 percent in unfair labor practice cases and a nearly 100-percent rise in representation cases.

That unfair labor practices still exist appears clearly in the fact that the Board closed 4,698 of them during the year, involving more than 1,200,000 workers. Yet the manner of their closing shows an increased ability to obtain settlements without formal procedures and a growing compliance with the act. For example, 9 out of 10 cases were closed before formal action, and almost all of them—if we exclude cases dismissed or withdrawn for lack of merit—were settled by agreement of the employees, the employer, and the Board.

In those complaint cases which did not yield to informal intervention, the Board proceeded to public hearing in 235, and it issued 327 orders upon employers to cease violations of the act. One hundred and ten of these orders were entered in circuit courts of appeals by consent.

Whether by formal or by informal procedures, the year's activity resulted in the upholding of the rights of workers to form organizations free from interference, as conclusively appears from the fact that employers posted 1,187 compliance notices, 502 company unions were disestablished, and collective bargaining began in 1,009 cases. Also, 23,475 workers were reinstated in order to remedy discriminatory discharge, 5,181 unfairly discharged workers received \$924,761 in remedial pay for periods of discriminatory discharge, and 24,427 workers who had struck in cases of alleged unfair labor practice were reinstated.

The Board was successful in obtaining compliance in most cases where its orders were subjected to litigation either on the petition of employers for review or upon its own petition to enforce. The Supreme Court during the year sustained four Board orders in full and sustained five others with modifications. In the remaining case the Supreme Court upon procedural grounds declined to pass upon the order.

The various circuit courts of appeals entered 124 decisions on Board orders, an increase of approximately 97 percent over the 63 decisions rendered in the previous year and an increase of 226 percent over the 38 decisions rendered in 1939. Of the 124 decisions rendered last year, Board orders were enforced in full in 65 cases and were enforced as modified in 36 cases. In 23 cases Board orders were set aside.

The over-all Court record of the Board for the 6 years up to January 1, 1942, is as follows: The Supreme Court enforced 26 Board orders in full, enforced 6 with modification, and denied 2. The circuit courts of appeals enforced 140 Board orders in full, enforced 102 with modification, and denied enforcement of 56.

One of the outstandingly hopeful developments of the year past was the conclusion of long-standing litigation against several large companies and the holding of elections or pay-roll checks in their plants. Among these may be mentioned the Ford Motor Co., Republic Steel, Inland Steel, and Youngstown Sheet & Tube. In the plants of these companies alone the Board resolved the issue of employee organizational choice for more than 200,000 workers, and almost immediately negotiations looking toward stable working agreements began in each.

The staff of the Board did not increase until after the close of the fiscal year when, as a defense agency, it was granted an increased budget to add members to its field staff. But during the fiscal year the pressure of greatly increased incoming cases was somewhat relieved by administrative changes. A newly created field division was made responsible for administrative case work and the coordination of regional activities with the Washington staff. The office of secretary was abolished and an executive secretary appointed to act as official secretary to the Board for the handling of administrative matters not under the Field Division. The preparation of intermediate reports was facilitated by attaching to the staff of the chief trial examiner a number of attorneys to assist in the handling of legal and procedural problems. In complaint cases considerable time was saved by the new practice of transferring them to the Board immediately upon filing of the intermediate report.

The American Federation of Labor brought to the Board more cases than any other organization, having entered 4,261 cases involving 806,846 workers. The Congress of Indus-

trial Organizations entered fewer cases, 3,740, but the number of affiliated workers, 1,161,221, was the larger.

American Federation of Labor participated in 1,396 elections or pay-roll checks and won 925, or 66 percent. Congress of Industrial Organizations participated in 1,414 and won 991, or 70 percent.

Unions affiliated with neither of the above, but organized on a national scale, participated in 109 elections or pay-roll checks and won 57, or 52 percent. Unions drawing their membership from employees of 1 employer participated in 316 and won 152, or 48 percent.

In this time of national peril it may not be amiss to search the bare statistical record for conclusions which may help us to understand what has gone by and what may lie ahead. In the year 1937-38 our country was deeply disturbed by its labor disputes and the National Labor Relations Board was inundated with cases, the majority of them alleging unfair labor practice. In Germany during that same year there were no strikes, and unemployment for the first time in years fell below the 1,000,000 mark. Upon the surface America at that time was the more endangered through the apparent maladjustments of its industrial relationships. But we now know better. We can examine without fears the new influx of Labor Board cases which began in the spring of 1941, since they were predominantly intended for the completion of one of the last steps in the collective-bargaining procedure, and since those cases which did involve repressive action against labor organization were concurrently yielding to the processes of orderly administrative law. It is possible, I think, to draw from these facts the conclusion that American labor, having escaped the sterile repressions of Hitler Germany, has learned to use its protected right of self-organization, and that American employers have advanced far toward making collective bargaining the accepted practice of an industrial democracy.

#### CONSIDERATION OF MEASURES ON THE CALENDAR

The PRESIDING OFFICER. Under the order heretofore entered, the Senate will now proceed to the consideration of unobjectionable bills on the calendar, beginning with calendar No. 1006, Senate bill 2022.

#### BILL PASSED OVER

The bill (S. 2022) for the relief of certain claimants who suffered loss and sustained damages as the result of the campaign carried out by the Federal Government for the eradication of the Mediterranean fruitfly in the State of Florida was announced as first in order.

Mr. VANDENBERG. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BARKLEY. Mr. President, I think it is desirable that a quorum be present. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Bulow	Clark, Mo.
Austin	Bunker	Connally
Bailey	Burton	Danaher
Ball	Butler	Downey
Bankhead	Byrd	Doxey
Barkley	Capper	Elender
Bilbo	Caraway	George
Bone	Chandler	Gerry
Brewster	Chavez	Gillette
Brooks	Clark, Idaho	Glass



Green	Maybank	Stewart
Guffey	Mead	Taft
Gurney	Millikin	Thomas, Idaho
Hayden	Murdock	Thomas, Okla.
Herring	Murray	Thomas, Utah
Hill	Norris	Tobey
Holman	Nye	Truman
Hughes	O'Mahoney	Tunnell
Johnson, Calif.	Overton	Tydings
Johnson, Colo.	Pepper	Vandenberg
Kilgore	Radcliffe	Van Nuys
La Follette	Reed	Wagner
Langer	Reynolds	Wallgren
Lee	Rosier	Walsh
Lucas	Russell	Wheeler
McFarland	Schwartz	White
McKellar	Shipstead	Wiley
McNary	Smathers	Willis
Maloney	Smith	

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

The clerk will state the next bill on the calendar.

#### COPPEL COAL CO.

The bill (H. R. 1914) for the relief of the Coppel Coal Co. was considered, ordered to a third reading, read the third time, and passed.

#### LOUIS M. McDOUGAL

The bill (H. R. 3403) for the relief of Louis M. McDougal was considered, ordered to a third reading, read the third time, and passed.

#### HELEN RAUCH AND MAX RAUCH

The bill (H. R. 5291) for the relief of Helen Rauch and Max Rauch was considered, ordered to a third reading, read the third time, and passed.

#### O. C. OUSLEY

The Senate proceeded to consider the bill (H. R. 2780) for the relief of O. C. Ousley, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the word "Treasury", to strike out "allocated by the President for the maintenance and operation of the Civilian Conservation Corps" and insert "not otherwise appropriated."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

#### HIRAM O. LESTER AND OTHERS

The Senate proceeded to consider the bill (H. R. 2183) for the relief of Hiram O. Lester, Grace D. Lester, and Florence E. Dawson, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "\$3,500" and insert "\$2,672.14"; on page 2, line 10, after the words "sum of", to strike out "\$3,500" and insert "\$2,642.59"; and on page 2, line 20, after the words "sum of", to strike out "\$5,000" and insert "\$4,000."

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

#### PAUL E. COOK

The bill (H. R. 2372) for the relief of Paul E. Cook was considered, ordered to a third reading, read the third time, and passed.

#### ARTHUR W. JORGENSEN, AND GUARDIAN OF ROBERT R. JORGENSEN

The bill (H. R. 5164) for the relief of Arthur W. Jorgenson, and the legal guardian of Robert R. Jorgenson, a minor, was considered, ordered to a third reading, read the third time, and passed.

#### ETHEL RAY SOWDER

The bill (H. R. 2376) for the relief of Ethel Ray Sowder was considered, ordered to a third reading, read the third time, and passed.

#### HEIRS OF MRS. NAZARIA GARCIA

The Senate proceeded to consider the bill (S. 1898) for the relief of the heirs of Mrs. Nazaria Garcia, of Winslow, Ariz., which had been reported from the Committee on Claims with an amendment, at the end of the bill to insert a proviso, so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to the heirs of Mrs. Nazaria Garcia, of Winslow, Ariz., in full satisfaction of all claims for personal injuries growing out of the death of Mrs. Garcia on September 5, 1941, when a United States Army transport plane crashed into her home at Winslow on that date: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### MR. AND MRS. JAMES C. LOARD

The Senate proceeded to consider the bill (S. 984) for the relief of Mr. and Mrs. James C. Loard, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "\$5,000" and insert "\$2,500", so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. James C. Loard, of Montgomery, Ala., the sum of \$2,500, in full settlement of all their claims against the United States for the death of their son, James Ray Loard, who was killed on October 12, 1940, by an explosion at Maxwell Field, Ala.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### BRANCHLAND PIPE AND SUPPLY CO.

The Senate proceeded to consider the bill (H. R. 2712) for the relief of the Branchland Pipe and Supply Co., which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sum of", to strike out "\$145.41" and insert "\$145.38."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

#### EDNA LA BLANCHE GILLETTE

The bill (H. R. 257) for the relief of Edna La Blanche Gillette was considered, ordered to a third reading, read the third time, and passed.

#### STATE COMPENSATION INSURANCE FUND OF CALIFORNIA

The bill (H. R. 3118) for the relief of the State compensation insurance fund of California was considered, ordered to a third reading, read the third time, and passed.

#### MOLLIE S. McHANEY

The bill (H. R. 4182) for the relief of Mollie S. McHaney was considered, ordered to a third reading, read the third time, and passed.

#### MR. AND MRS. R. L. SAUNDERS

The bill (H. R. 5046) for the relief of Mr. and Mrs. R. L. Saunders was considered, ordered to a third reading, read the third time, and passed.

#### G. T. ELLIOTT, INC.

The bill (H. R. 5390) for the relief of G. T. Elliott, Inc., was considered, ordered to a third reading, read the third time, and passed.

#### EUGENE JACKSON

The Senate proceeded to consider the bill (S. 1801) for the relief of Eugene Jackson, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sum of", to strike out "\$1,000" and insert "\$860", so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Eugene Jackson, of Obion County, Tenn., whose post-office address is Route No. 2, Fulton, Ky., the sum of \$860, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him when the wagon in which he was riding was struck on October 18, 1940, by a Civilian Conservation Corps truck at a point on Route No. 45E about 3½ miles south of Fulton, Ky.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## REGULATION OF COMMERCE IN PETROLEUM AND ITS PRODUCTS

The Senate proceeded to consider the bill (S. 2066) to make permanently effective the act regulating interstate and foreign commerce in petroleum and its products, which was read, as follows:

*Be it enacted, etc.,* That section 13 of the act entitled "An act to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such commerce of petroleum and its products produced in violation of State law, and for other purposes", approved February 22, 1935 (49 Stat. 30), as amended, is hereby repealed.

Mr. McNARY. Mr. President, I am not familiar with this bill. I have only read its title. I shall be glad to have some Senator explain the bill.

Mr. TAFT. Mr. President—

Mr. BARKLEY. Mr. President, the Senator from Texas [Mr. CONNALLY] is interested in the bill.

Mr. McNARY. The Senator from Utah [Mr. THOMAS], who reported the bill, is present.

Mr. THOMAS of Utah. Mr. President, I reported the bill from the Committee on Mines and Mining. The Senator from Ohio [Mr. TAFT] is present. He favors the bill. The bill merely makes permanent the present temporary control and regulation of petroleum. We have been operating under the existing act for about 5 or 6 years, and this amendment will make the control continuous so far as the act is concerned. There was no objection to the bill in the committee.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## BILL PASSED OVER

The bill (S. 2192) to extend the time for examinations of quarterly accounts covering expenditures by disbursing officers of the United States Navy was announced as next in order.

Mr. McNARY. Mr. President, this is a Senate bill. I think an explanation of it should be made by some Senator who is familiar with it.

The PRESIDING OFFICER. The Senator from Massachusetts [Mr. WALSH] reported the bill. He is not now in the Senate Chamber.

Mr. McNARY. Some member of the Naval Affairs Committee may know about the bill. I shall object to it unless some comment is made on the bill.

The PRESIDING OFFICER. Objection is made, and the bill will be passed over.

## PROVISION FOR SALVAGE FACILITIES BY SECRETARY OF THE NAVY

The bill (S. 2193) to amend the act approved October 24, 1941, entitled "An act to authorize the Secretary of the Navy to provide salvage facilities, and for other purposes" (Public Law No. 280, 77th Cong.), so as to remove the limitation on the sum authorized to be appropriated annually to effectuate the purposes of the act, was announced as next in order.

The PRESIDING OFFICER. This bill is identical with Calendar No. 1045,

House bill 6356. Without objection, the House bill will be substituted for the Senate bill.

The Senate proceeded to consider the bill (H. R. 6356) to amend the act approved October 24, 1941, entitled "An act to authorize the Secretary of the Navy to provide salvage facilities, and for other purposes" (Public Law No. 280, 77th Cong.), so as to remove the limitation on the sum authorized to be appropriated annually to effectuate the purposes of the act, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2193 will be indefinitely postponed.

## LT. COL. JOSEPH M. KELLY

The bill (H. R. 5701) for relief of the accounts of Lt. Col. Joseph M. Kelly, United States property and disbursing officer for Kentucky, was considered, ordered to a third reading, read the third time, and passed.

## MRS. BERTHA M. SMITH

The bill (H. R. 4436) for the relief of Mrs. Bertha M. Smith was considered, ordered to a third reading, read the third time, and passed.

## A. PAUL JOHNSON

The bill (H. R. 5767) for the relief of A. Paul Johnson was considered, ordered to a third reading, read the third time, and passed.

## REUBEN OWEN

The bill (H. R. 1903) for the relief of Reuben Owen was considered, ordered to a third reading, read the third time, and passed.

## ESCO WOOD

The bill (H. R. 5085) for the relief of Esco Wood was considered, ordered to a third reading, read the third time, and passed.

## JOSEPH KEENEY

The bill (H. R. 5541) for the relief of Joseph Keeney was considered, ordered to a third reading, read the third time, and passed.

## JERRY MCKINLEY THOMPSON

The bill (S. 1820) for the relief of Jerry McKinley Thompson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Comptroller General is authorized and directed to cancel the amount of \$3,820.19 entered on the accounts of Jerry McKinley Thompson, carrier in the post office at Hampton Beach, N. H., by reason of disallowance by the General Accounting Office of payments made to the said Jerry McKinley Thompson by the Post Office Department for his services in delivery of mail at the Hampton Beach post office during periods from June 15 to September 15 of each year from 1929 to 1937, inclusive.

## DONALD WILLIAM BURT

The bill (S. 2002) for the relief of Donald William Burt was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Don-

ald William Burt, former sergeant in the National Guard of the State of Washington, the sum of \$107.20, in full settlement of his claim against the United States for pay withheld from him for the period January 1, 1941, to February 24, 1941, when, after being inducted into the Federal service on September 16, 1940, he was discharged for noncitizenship on February 24, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

## RESOLUTION PASSED OVER

The resolution (S. Res. 220) declaring WILLIAM LANGER not entitled to be a United States Senator from the State of North Dakota was announced as next in order.

Mr. McNARY. Let the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over. That completes the calendar.

## RECOGNITION OF SERVICES OF CERTAIN CIVILIAN EMPLOYEES IN THE CONSTRUCTION OF THE PANAMA CANAL

Mr. PEPPER. Mr. President, on September 17, 1941, the Senate passed Senate bill 1481, providing for recognition of the service of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal. A motion to reconsider the vote by which the bill was passed was made by the late-lamented Senator Adams of Colorado. I ask unanimous consent that the motion be made the pending business, to be taken up for disposition.

Mr. BYRD. Mr. President, I shall withhold any objection I may have until I can hear the statement of the Senator from Florida.

Mr. PEPPER. Mr. President, the bill was sponsored and introduced by the able Senator from Missouri [Mr. CLARK] and myself. As the Senate knows, the Senator from Missouri is chairman of the Committee on Inter-oceanic Canals. The bill is merely an effort to do justice, meager justice, to a group of people who have not received any consideration whatever from the Congress.

The purport of the bill is to allow certain compensation to those who were engaged in the construction of the Panama Canal for as much as 3 years, in actual residence on the Isthmus of Panama, between the beginning and the conclusion of the construction of the Canal.

The bill provides a certain scale of annuities to be received by the beneficiaries, 40 percent of their average annual basic pay in case they have been employed 3 years and not to exceed 4 years; if they served more than 4 years, 50 percent of their average annual basic pay, and if they served more than 6 years, 60 percent of their average annual basic pay.

There is a favorable report from the Civil Service Commission, which is charged by the bill with the administra-



tion of the proposed law. Their report is only a brief comment, and I should like to read it to the Senate. It appears on page 2 of the report of the Senate Committee on Inter-oceanic Canals, which held hearings on the bill, and favorably reported it:

The Commission believes that like treatment should be accorded all employees of a particular group. As special benefits have been allowed members of the Army, Navy, and Public Health Service, as well as civilian employees who served during the construction period and who retire under the Canal Zone Retirement Act, it would appear that like recognition should be accorded former civilians separated without retirement benefits. The previous adverse recommendation of the Commission regarding this legislation was based mainly on the cost thereof. However, on the basis of additional information, this estimated cost has been greatly reduced, removing any objection from this standpoint.

Mr. McKELLAR. What proportion of these employees are aliens?

Mr. PEPPER. The bill would benefit only American citizens.

Mr. CLARK of Missouri. Mr. President, if the Senator will permit, I think attention should be called to the fact that during the construction period, which, of course, was before the present very much improved sanitary conditions in the Canal Zone, in many cases exactly identical work was done by the Army and Navy personnel, principally the Army personnel, and the civilian personnel. When Congress came to pass the Panama Canal Act, they made a distinction and gave preferential treatment to the Army and Navy personnel in the matter of retirement, promotion, and retired pay—in the case of the Army, promotion two steps in grade to anyone who had been engaged in this work for 3 years.

I happen to know of one case, that of a very distinguished citizen of the United States, afterward a general of the Army, Gen. Robert E. Wood, of Chicago, who is very much in favor of this proposal. General Wood took advantage of the opportunity to retire with two steps up in grade, after he came back in the Army and became a general, and had made a success in business. On the other hand, the man who until very recently was the executive secretary of the Governor's council of the Panama Canal Zone, who did precisely the same work and sat on the other side of the table from General Wood during the construction period, has until very recently remained in the Panama Canal service, but retired on an extremely meager pension, not in any way comparable with that given the Army and Navy personnel at the time the previous act was passed.

All the pending bill would do would be to give to the diminishing number of survivors of those engaged in that very hazardous and heroic achievement, the construction of the Panama Canal, comparable treatment with that given others, who in many cases, as I have said, did precisely the same kind of work during the construction period.

Mr. McKELLAR. What would be the cost to the Government if the bill should be enacted?

Mr. CLARK of Missouri. The Senator from Florida has later estimates than I have. It is a diminishing cost. The

Senator from Florida has the information, and I should be glad to have him answer the Senator from Tennessee.

Mr. PEPPER. The estimate of the Civil Service Commission appears in the report. They estimated that there might be as many as 2,276 eligibles, but they state they base the estimate on the American Experience Table of Mortality, whereas those who have knowledge of the hazardous health conditions prevailing in the Canal Zone during the construction period estimate that the maximum number will probably be not more than a thousand. It is a rapidly diminishing number, a frail remnant of that gallant company which built the Panama Canal.

Mr. McKELLAR. How much would it cost a year?

Mr. PEPPER. If the estimate of the Civil Service Commission is correct, that there are 2,276 eligibles, the first year it would cost \$1,700,000, and the cost would diminish thereafter. If the other estimates are correct, of course, it would be less than half that amount. Those who have the best knowledge of the subject estimate that even the first year's cost will probably not exceed \$500,000.

Mr. BYRD. What does the Senator estimate the total cost will be, if it is a million dollars the first year?

Mr. PEPPER. It is a little difficult to estimate what the total cost will be, but these people must have worked 3 years before 1914, and if the Senator will calculate a little he will see how old they must now be, and therefore how relatively few years any of them will participate in the benefits sought.

Mr. CLARK of Missouri. If the Senator from Florida will permit me to make a statement on that point, I think the Senator will recall that the testimony before the Committee on Inter-oceanic Canals discloses that it is very difficult to make mortality tables regarding these particular men, because it seems that the ordinary mortality tables do not apply to them. Exposure to malaria and tropical diseases during the period of 3 years has very much accentuated the death rate, during the years, of the men who went through that experience, and therefore ordinary mortality tables are not applicable, and there is apparently no basis on which any one can figure what the mortality rate would be among these people.

Mr. PEPPER. I thank the Senator. I am in error in not noticing that the Civil Service Commission estimated, as appears on page 10 of the report, that the average age of those who are eligible is slightly over 67.

Mr. BYRD. Is this an annuity to be paid to those who are retired?

Mr. PEPPER. No; this is an annuity which will go only to those who are not receiving any other compensation from the Government.

Mr. BYRD. Do they contribute anything toward the annuity fund, as other Government employees do?

Mr. PEPPER. No; nor do those in the Army and Navy who participated in the construction of the Canal and were rewarded for their service.

Mr. BYRD. There is a difference between the Army and Navy personnel who were ordered to go to the Canal

Zone and these civilians who I assume sought the positions.

Mr. PEPPER. Let me read a statement from President Theodore Roosevelt about exactly this kind of a bill. It is a matter which has been pending for a long time in one form or another. This is what President Theodore Roosevelt said in 1916:

I most heartily endorse General Goethals' recommendation. As one who was instrumental in getting this work under way and who has followed its progress with deep interest and keen satisfaction, I am greatly concerned in seeing proper recognition accorded to the civilian employees. General Goethals has designated them as the real builders of the Canal. I sincerely trust that prompt action will be taken by Congress toward the early enactment of legislation to this end.

Mr. HUGHES. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. HUGHES. The bill provides only for those who have survived, then?

Mr. PEPPER. Only for those who have survived.

Mr. HUGHES. What about the men who worked on the construction of the canal and who have died?

Mr. PEPPER. Happily or unhappily, it does not provide for them. It has been very difficult to get recognition even for those who are living.

Mr. HUGHES. Mr. President, I have in mind the instance of an electrical engineer who went to the Canal Zone and worked on the Canal for several years during the construction period, being in charge of the electrical work. At its completion, being in poor health, he returned to the United States, and shortly thereafter died, leaving a family not provided for. Yet nothing has been done in that case, nor has anything been done in hundreds or perhaps thousands of similar cases. It seems to me the bill ought to be broadened to provide for the families of those who were not so fortunate as to have survived to this time.

Mr. PEPPER. I confess that the same principle of justice applies, I will say to the Senator from Delaware, but we have had such a hard time getting recognition for those who still live that we did not want to burden the bill any further.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McNARY. I ask the able Senator from Florida if it is true that a similar bill was reported favorably in the Seventy-sixth Congress as well as in the previous Congress?

Mr. PEPPER. Yes.

Mr. McNARY. And those bills were placed on the calendar?

Mr. PEPPER. Yes; this is the third time such a bill has been reported by the committee.

Mr. McNARY. Are not the bills in question identical in substance?

Mr. PEPPER. They are.

Mr. McNARY. So the committees, after having held hearings on three occasions, favorably reported the bills?

Mr. PEPPER. Yes.

Mr. McNARY. Similar proposed legislation had the endorsement of former President Theodore Roosevelt?

Mr. PEPPER. Yes; and of General Stevens, who was chairman of the Isthmus Canal Commission, which built the Canal.

Mr. McNARY. And of General Goethals also?

Mr. PEPPER. And of General Goethals, and of General Wood, who participated in the work, and also of the Civil Service Commission.

Mr. McNARY. The proposed legislation, then, in its whole course, from the time the proposal was first made by former President Theodore Roosevelt, has met with no opposition from any source?

Mr. PEPPER. That is correct, I will say to the Senator.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McKELLAR. Am I to understand the Senator from Florida to say that a similar bill was introduced during the administration of Theodore Roosevelt?

Mr. PEPPER. Yes.

Mr. McKELLAR. And it was not passed, and during the intervening time, of course, probably many thousands of the men who worked on the Canal have died, and no provision has heretofore been made for them or their families?

Mr. PEPPER. That is true.

Mr. McKELLAR. I am wondering if the proposal is not going back a little bit too far? Theodore Roosevelt was President nearly 40 years ago.

Mr. PEPPER. Well, that rather condemns Congress, I am afraid.

Mr. McKELLAR. It goes back a long time.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CLARK of Missouri. While I recognized the claims of the families of men who served on the Canal during the construction period and who have since died, nevertheless it is only fair to say that the bill, to which this measure seeks to be comparable, did not provide for any pension for the military and naval personnel who have died since the completion of the Canal. It simply provided for retirement pay in the nature of an annuity. We are merely putting the survivors of the civilian personnel on a comparable basis. That is, we are not giving them any lump insurance if they die; we are not providing anything of that sort. We are simply giving them an annuity on a basis comparable with the military and naval personnel. It seems to me that is about all we can do at this late date. I feel that there is very strong equity in such cases as the Senator from Delaware [Mr. HUGHES] details, but I think that at this late date what is proposed to be done by the bill is about all we can do. I think we are doing little enough for the survivors, by our belated action, after having withheld any annuity all these years.

Mr. PEPPER. If the bill is now before the Senate I should like to make a motion.

Mr. DANAHER. Mr. President, as I understand, the Senator has filed a

unanimous-consent request for permission to take the bill from the calendar and for the Senate to act on it at this time?

Mr. BARKLEY. No.

Mr. PEPPER. No; my motion is to take the bill up, if unanimous consent is denied. I think I have the right to do that.

Mr. DANAHER. Is it the Senator's purpose to have the Senate act on the measure this afternoon?

Mr. PEPPER. Yes.

Mr. DANAHER. If a unanimous-consent request is pending, I object.

The PRESIDING OFFICER. The Senator from Florida has moved that the Senate proceed to the consideration of the motion heretofore entered by the late Senator Adams of Colorado to reconsider the vote by which the Senate passed Senate bill 1481, an act to provide for the recognition of the service of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal.

Mr. DANAHER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Holman	Nye
Austin	Hughes	O'Mahoney
Barkley	Johnson, Calif.	Overton
Bone	Johnson, Colo.	Pepper
Bunker	Kilgore	Taft
Purton	La Follette	Thomas, Okla.
Clark, Mo.	McKellar	Thomas, Utah
Danaher	McNary	Tunnell
Doxey	Maloney	Wagner
Ellender	Maybank	Wiley
Gurney	Murdoch	
Hill	Norris	

The PRESIDING OFFICER. Thirty-four Senators have answered to their names. There is not a quorum present. The clerk will call the names of absent Senators.

The legislative clerk proceeded to call the names of absent Senators.

Mr. DANAHER. Mr. President, I ask unanimous consent that my request for a quorum call be vacated.

Mr. McNARY. Mr. President, with vacation of the quorum call, will the motion of the Senator from Florida [Mr. PEPPER] to proceed with the consideration of the motion heretofore entered by the late Senator Adams be the unfinished business when we reconvene at the next meeting of the Senate?

The PRESIDING OFFICER. The lack of a quorum was announced a few minutes ago. The Senate can transact no further business until a quorum is present.

Mr. McNARY. The Senator from Connecticut [Mr. DANAHER] asked unanimous consent for the vacation of the call for a quorum.

Mr. BARKLEY. Mr. President, I am afraid that after the announcement has once been made that a quorum is not present such a request cannot be made. However, I think we can ascertain the presence of a quorum in a few minutes. Then I shall have no objection to this matter going over until Thursday.

The PRESIDING OFFICER. The clerk will resume the calling of the names of absent Senators.

The legislative clerk resumed calling the names of absent Senators, and Mr. BAILEY, Mr. BLBO, Mr. BROOKS, Mr. BULOW, Mr. BYRD, Mr. CAPPER, Mr. CHANDLER, Mr. CONNALLY, Mr. GERRY, Mr. GLASS, Mr. HERRING, Mr. MCFARLAND, Mr. MILLIKIN, Mr. STEWART, and Mr. VAN NUYS answered to their names when called.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum is present.

Mr. BARKLEY. Mr. President, with the understanding that the motion of the Senator from Florida [Mr. PEPPER] may be pending, I have no objection to the matter going over until the next meeting of the Senate.

Mr. PEPPER. Very well.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Capt. Howard L. Vickery, to be a rear admiral in the Navy for temporary service, to rank from the 22d day of January 1942.

By Mr. THOMAS of Utah (for Mr. REYNOLDS), from the Committee on Military Affairs:

Sundry officers for appointment, transfer, or promotion in the Army.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc, and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc, and the President will be immediately notified.

#### RECESS TO THURSDAY

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 3 o'clock and 55 minutes p. m.) the Senate took a recess until Thursday, February 5, 1942, at 12 o'clock meridian.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate February 3 (legislative day of February 2), 1942:

#### POSTMASTERS

##### PENNSYLVANIA

Charles L. Richert, Cecil.  
Myron L. Wyckoff, East Stroudsburg.  
Winifred M. Kerr, Freeport.



Kenneth F. Eakin, Harrisville.  
Annie M. Schaner, Lingelstown.  
Grace E. Lovett, Trafford.

TEXAS

Samuel M. Compton, Celeste.  
Ernest J. Banta, Medina.  
William McGonagle Irby, Texon.

## HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 3, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our blessed Father in Heaven, by whose mercy we are permitted to greet another day, we offer Thee our tributes of praise. In Thy overflowing tenderness, hear the wordless prayers of human hearts where tears may be vindicated. Enshrined as the ideal of infinite love, as the Saviour of endless compassion, allow them not to be bowed down under the burdens of the present crisis. We rejoice that no path is wholly rough; that, though we be weary, Thou art weary, too.

From the eternal recesses of Thy mercy pour abundantly that refreshing and sustaining spirit that shall encourage all to stand as they who stand in the morning. We pray that contentions may cease and unity may become triumphantly glorious throughout our Nation. We thank Thee that behind the dim unknown standeth God within the shadows, keeping watch above His own. To the altar of prayer we bear our President, his immediate counselors, our Speaker and this entire legislative body; sanctify and bless all their deliberations. Grant that the vision of a people with one heart may inspire the nations of the earth with an invincible desire for peace. Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

### NAVY DEPARTMENT APPROPRIATION BILL, 1943

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6460) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1943, and additional appropriations therefor for the fiscal year ending June 30, 1942, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nevada? [After a pause.] The Chair hears none and appoints the following conferees: Mr. SCRUGHAM, Mr. CASEY of Massachusetts, Mr. SHEPPARD, Mr. BEAM, Mr. THOMAS of Texas, Mr. DITTER, Mr. PLUMLEY, and Mr. JOHNSON of Indiana.

### EXTENSION OF REMARKS

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a letter from the President of the American Federation of Labor and a short statement.

The SPEAKER. Is there objection? There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent also to extend my remarks and include a copy of a resolution received from the Legislature of the State of New York addressed to the Congress of the United States.

The SPEAKER. Is there objection? There was no objection.

Mr. ROBERTSON of North Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter from the president of the Agricultural College of the State of North Dakota.

The SPEAKER. Is there objection? There was no objection.

### PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that on Thursday next, at the conclusion of other business, I may address the House for 15 minutes.

The SPEAKER. Is there objection? There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative business of the day today I may be allowed to address the House for 10 minutes.

The SPEAKER. Is there objection? There was no objection.

### MELVYN DOUGLAS

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection? There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I note that a man now going by the name of Melvyn Douglas—old name Melvyn Hesselberg—is appointed Publicity Chief in the Office of Civilian Defense.

This is the man that public sentiment in California kept from taking a commission in the National Guard on account of his "pink" and "red" activities and his close association with subversive, communistic groups.

Do we always have to have men who have changed their names, and whose past activities are questioned, in high places in Government? Perhaps this is the reason that we constantly have to have reorganization; the reason that we get conversation, reports, and publicity statements, instead of guns, airplanes, antiaircraft, subchasers, and so forth. Do they realize in advance that the appointees who have been named are absolutely unqualified to do their work and through these departmental publicity hounds play up to our people high-sounding publicity to cover up their failures?

How do our taxpayers feel when they see our money used like this? Partisan politics are supposed to be adjourned, and I hope they are; but when our people see such men as Landis, the Bridges defender, and those who are Communists or closely associated with communism, like Cowley, Lash, and Douglas, appointed to positions in Government, you can well see why many of our people are losing confidence in the organization here in Washington.

Instead of having a thorough house cleaning of these incompetent parasites,

the program seems to be to obtain the most unqualified and the most incompetent, who always has tied up with the interests which would destroy the American form of government. If hundreds of thousands of men are lost before this war is won, it can be chargeable to the incompetent political set-up right here in Washington.

[Here the gavel fell.]

### EXTENSION OF REMARKS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks by including a speech delivered by the gentleman from Massachusetts [Mr. MARTIN] in Dayton, Ohio, last week.

The SPEAKER. Is there objection? There was no objection.

Mr. WINTER. Mr. Speaker, I ask unanimous consent to extend my remarks and include a resolution adopted by the Pi Gamma Mu convention at New York City.

The SPEAKER. Is there objection? There was no objection.

### GARAGE RENT IN THE DISTRICT OF COLUMBIA

Mr. FORAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection? There was no objection.

Mr. FORAND. Mr. Speaker, a few weeks ago there was considerable disturbance in the District of Columbia regarding rents on housing accommodations. That same trouble now has spread to garages. In several cases the increases in garage rents have been 50 percent.

On yesterday I introduced a bill that would bring within the provisions of the Rent Control Act already in force the rents for automobile storage space in both private and public garages. The Committee on the District of Columbia has started to consider this matter, and I would urge every Member of the House who has any information on the subject regarding increase of garage rents to present their facts to the Committee on the District of Columbia.

[Here the gavel fell.]

### MELVYN DOUGLAS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection? There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I am sorry to ask for recognition twice so quickly, but I cannot let the charges of my colleague the gentleman from California [Mr. LELAND M. FORD] against Melvyn Douglas go unanswered.

The truth about the matter is that when an appointment was offered by the Governor of California to Mr. Douglas some years ago to take some military post he declined it and gave as his reason that he did not believe he was qualified.

The further truth about the matter is that he is not now and never has been a Communist, nor is he a friend of Communists.

Mr. LELAND M. FORD. Will the gentleman yield?

Mr. VOORHIS of California. No; not now,

The further truth about the matter is that the Communist Party instituted a boycott against the motion picture in which he has been appearing—namely, *Ninotchka*.

The further fact is that if there is anybody who will serve with a whole heart and soul the cause of the United States at this time, I know of none who will do it better than he will.

Mr. LELAND M. FORD. Will the gentleman yield?

Mr. VOORHIS of California. I yield.  
Mr. LELAND M. FORD. Did he ever change his name?

Mr. VOORHIS of California. I do not think that has anything to do with it. Most movie actors have done so, however; and I could name over dozens and dozens of people, some of the best people in the country, who have changed their names, especially if they were long ones.

Mr. LELAND M. FORD. Was the sentiment in California against him?

Mr. VOORHIS of California. I certainly do not think the sentiment of California is against him to do the kind of job he is qualified to do.

Mr. LELAND M. FORD. For his "red" activities?

[Here the gavel fell.]

#### EXTENSION OF REMARKS

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech by Clarence Budington Kelland.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### REMOVAL OF AGENCIES FROM WASHINGTON

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, an uncomplimentary but rather unfair if not snide editorial appeared in yesterday's issue of the New York Herald Tribune concerning the New York City delegation. We were accused of dereliction because we failed to attend en masse a meeting called at the Mayflower Hotel last Saturday morning concerning the campaign to bring decentralized bureaus to New York City. Most of us failed or rather refused to attend because the House was not in session and most of us had gone to our homes in New York.

A sort of self-styled, self-anointed, pseudo leader of us New Yorkers called the meeting with knowledge that his colleagues would be in New York. In a measure he is responsible for the mean editorial aforesaid.

I believe in decentralization. This self-crowned pooh-bah should also be decentralized and parts sent to Tim-

buktu, Riverside Drive, and deepest Congo.

[Here the gavel fell.]

#### EXTENSION OF REMARKS

Mr. THOM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. WILSON. Mr. Speaker, I ask unanimous consent that after the disposition of the legislative calendar for the day and any other special orders that may have been entered I may address the House for 30 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### EXTENSION OF REMARKS

Mr. BENDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### JAMES LAWRENCE FLY

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix.]

#### FLYNN AND THE REPUBLICANS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, of all the whimpering, whining politicians, this Mr. Edward J. Flynn should be awarded chief place. Last night he said the Republicans were not as much interested in winning the war as they were interested in controlling the House of Representatives. That is the highest tribute that could be paid to our patriotism, because it is becoming more and more evident as the days go by that if the war is to be won the Republicans will have to get control of the House and of the executive department. Why any man who has had all this relief money to spend, much of which was taken from the poor and the unfortunate and spent for political purposes, should now let out a squawk when he has these billions appropriated for war at his disposal and when they are using them all the time for political purposes is past my understanding, unless he sees

the handwriting on the wall and realizes that the people back in the sticks are getting on to what the Democratic administration is doing with our war funds.

[Here the gavel fell.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. BRADLEY]?

There was no objection.

#### LABOR TROUBLES

Mr. BRADLEY of Michigan. Mr. Speaker, some time ago this House passed what was known as the Smith bill. Immediately the membership was made the target for much abuse by the labor unions, and we were told there was no necessity for the Smith bill because labor was going to behave, the unwise and more or less radical labor leaders were going to behave.

We find on the Pacific coast today that the welders are out on strike, effectively tying up the shipbuilding defense industries out there. But, further than that, may I say this? I have before me a telegram received from the Detroit Livestock Association wherein they call my attention to the fact that the teamsters union in Detroit now threatens to tie up all the meat supply in the city of Detroit, thereby depriving 70,000 farmers of an outlet for their livestock. This food is not only furnished to the people of Detroit, but also is supplied to the soldiers and sailors in the uniform of this country.

Mr. Speaker, it is about time for this Government to stand upon its hind legs and tell these radical labor leaders where to get off before it is too late.

Read this telegram carefully and note the unsound, unfair, and totally unpatriotic un-American position assumed by this teamsters union.

#### FOREIGN AFFAIRS COMMITTEE

Mr. BLOOM. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until 12 o'clock tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLOOM]?

There was no objection.

#### EXTENSION OF REMARKS

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include the telegram referred to in my remarks made a few minutes ago.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. BRADLEY]?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include a press release from the United States Civil Service Commission.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. RAMSPECK]?

There was no objection.



Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include two short editorials.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. HARRINGTON]?

There was no objection.

**TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, FISCAL YEAR 1943**

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6511) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1943, and for other purposes.

Mr. MARTIN of Massachusetts. Will the gentleman withhold that a minute?

Mr. LUDLOW. I yield to the gentleman.

Mr. MARTIN of Massachusetts. Mr. Speaker, do I understand the calling of the Private Calendar has been discontinued for the day?

The SPEAKER. The Chair saw no objectors or Members who handle these Private Calendar bills on the floor. The Chair will be glad to recognize these gentlemen.

Mr. MARTIN of Massachusetts. I just wanted the information; that is all.

The SPEAKER. The Chair not seeing those Members here recognized the gentleman from Indiana. The Chair will recognize Members for the calling of bills on the Private Calendar after the present bill is disposed of.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that the calling of bills on the Private Calendar be set aside for the time being.

The SPEAKER. The Chair does not intend to set aside the calling of bills on the Private Calendar by unanimous consent. The Chair previously did not see any objectors on the floor. If there is objection to this procedure, then the bills on the Private Calendar may be called.

Mr. LUDLOW. Mr. Speaker, I withdraw the request.

Mr. McCORMACK. Mr. Speaker, the calling of bills on the Private Calendar is in order for today. I ask unanimous consent that the Private Calendar be called at the termination of the consideration of the Treasury and Post Office Departments' appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I thought I saw the Democratic objectors here. The Republican objectors are all here and I see at least one on the other side.

Mr. McCORMACK. Mr. Speaker, I simply make this unanimous-consent request so that we will have something before the House.

Mr. Speaker, I withdraw my unanimous-consent request.

**PRIVATE CALENDAR**

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

LXXXVIII—62

**ALBERT BARRETT**

The Clerk called the first bill on the Private Calendar, H. R. 1988, for the relief of Albert Barrett.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of the immigration and naturalization laws the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Albert Barrett, as of August 1924, the date on which he entered the United States, if he is found to be otherwise admissible under the provisions of the immigration laws.

With the following committee amendment:

Page 1, after line 9, insert the following: "other than that provision of section 3 of the Immigration Act of February 5, 1917 (39 Stat. 875, U. S. C., title 8, sec. 136 (e)), requiring the exclusion of aliens who have been convicted of or who admit the commission of a felony or other crime or misdemeanor involving moral turpitude."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**RELIEF OF CERTAIN BASQUE ALIENS**

The Clerk called the next bill, S. 314, for the relief of certain Basque aliens.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GORE. I object, Mr. Speaker.

There being no further objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Attorney General of the United States be, and is hereby, authorized and directed to cancel deportation proceedings in the cases of Ignacio Abadia, Nampa, Idaho; Alejandro Alberdi, Boise, Idaho; Felix Achirica, Boise, Idaho; Pedro Aguirre, Shoshone, Idaho; Santiago Alegria, Boise, Idaho; Gregorio Arana, Willow Creek, Oreg.; Guillermo Armaolea, Mullan, Idaho; Ponciano Arrieta, Boise, Idaho; Pedro Arruzazabala, Boise, Idaho; Francisco Asla, Mountain Home, Idaho; Elias Asolo, Shoshone, Idaho; Bernardo Ausocoa, Boise, Idaho; Abraham Azpiri, Murphy, Idaho; Francisco Barinaga, Boise, Idaho; Martin Barrencia, Boise, Idaho; Alejandro Bilbao, Mountain Home, Idaho; Francisco Bilbao, Emmett, Idaho; Jose Bilbao, Mountain Home, Idaho; Victor Bilbao, Boise, Idaho; Arturo Calvo, Tuscarora, Nev.; Gonzalo Cortazar, Boise, Idaho; Andres Echevarrieta, Hagerman, Idaho; Antonio Echevarrieta, Hagerman, Idaho; Prudencio Elordieta, Atlanta, Idaho; Gregorio Elorriaga, Buhl, Idaho; Jose Elorriaga, Mountain Home, Idaho; Juan Elorza, Boise, Idaho; Juan Garmendia, Nampa, Idaho; Francisco Guezuraga, Boise, Idaho; Jose Guezuraga, Boise, Idaho; Enrique Ispisua, Boise, Idaho; Antonio Laradagoitia, Emmett, Idaho; Felix Larrucea, Boise, Idaho; Victor Legarreta, Jarbridge, Nev.; Juan Lejardi, Boise, Idaho; Ciriaco Lezamiz, Mountain Home, Idaho; Daniel Martinez, Boise, Idaho; Antonio Menchaca, Nampa, Idaho; Elias Mendilibar, Fresno, Calif.; Jose Antonio Mendiola, Fresno, Calif.; Claudio Murua, Shoshone, Idaho; Ignacio Naveran, Shoshone, Idaho; Victor Orbe, Boise, Idaho; Canuto Otazua, Boise, Idaho; Gregorio Otazua, Boise, Idaho; Alejandro Rementeria, Boise, Idaho; Andres Retolaza, Boise, Idaho; Pedro Juan Sengotita, Bengoa, Mountain Home, Idaho; Cristobal Sagasti, Boise, Idaho; Bernardo Torre, Gooding, Idaho; Jesus Ugalde, Emmett, Idaho; Pedro Ugalde, Boise, Idaho; Gregorio Urcaregul,

Richfield, Idaho; Francisco Uriarte, Mountain Home, Idaho; Herman Uriarte, Mountain Home, Idaho; Agustin Uribe, Mountain Home, Idaho; Feliciano Uribe, Boise, Idaho; Antonio Urquidi, Boise, Idaho; Ignacio Urtutia, Boise, Idaho; Anastasio Yrasuegui, Castleford, Idaho; Nicasio Yrazabal, Ely, Nev.; Juan Yrigoyen, Boise, Idaho; Tomas Yturbe, Mountain Home, Idaho; Angel Suarez, Boise, Idaho, legally admitted as seamen but who have remained in the United States longer than permitted by law and regulations, and that these aliens shall be considered as having been admitted for permanent entry as of the date of their actual entry on the payment of the visa fees of \$10 and head taxes of \$8 per person.

Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct 64 numbers from the Spanish quota for the first year that the said Spanish quota is available.

With the following committee amendments:

Page 1, line 9, strike out "Ponciano Arrieta, Boise, Idaho."

Page 2, line 5, strike out "Arturo Calvo, Tuscarora, Nev."

Page 2, line 13, strike out "Felix Larrucea, Boise, Idaho."

Page 2, line 25, strike out "Pedro Ugalde, Boise, Idaho."

The committee amendments were agreed to.

Mr. GRANT of Indiana. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRANT of Indiana: On page 3, lines 15 and 16, strike out "64" and insert "60."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**MORRIS BURSTEIN AND JENNIE BURSTEIN**

The Clerk called the next bill, H. R. 2868, for the relief of Morris Burstein and Jennie Burstein.

Mr. GORE and Mr. MOTT objected and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

**KURT G. STERN**

The Clerk called the next bill, H. R. 3295, for the relief of Kurt G. Stern.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That from and after the approval of this act Kurt G. Stern shall be deemed to have been lawfully admitted to the United States at Buffalo, N. Y., on February 10, 1936, as an immigrant for permanent residence and, if he is found to be otherwise admissible under the provisions of the immigration laws other than those relating to quotas, shall not be subject to deportation, by reason of any provision of section 3 of the Immigration Act of February 5, 1917, as amended (U. S. C., 1934 edition, title 8, sec. 136), on account of an act or circumstance which may have occurred prior to the date of entry into the United States of the said Kurt G. Stern. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Germany of the first year that the German quota is available.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

CATHERINA MIGLIORE AND ANTHONY AND ROSE MIGLIORE

The Clerk called the next bill, H. R. 5071, for the relief of Catherina Migliore and Anthony and Rose Migliore.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Attorney General is directed to cancel forthwith the outstanding warrant of arrest, order of deportation, warrant of deportation, and bond, if any, in the case of the aliens, Catherina Migliore, and her son and daughter, Anthony and Rose Migliore, and is directed not to issue any further such warrants or orders in the case of such aliens, insofar as such future warrants or orders are based on any unlawful entry of such aliens into the United States prior to the enactment of this act. Furthermore that, in the administration of the immigration and naturalization laws, the Attorney General be, and is hereby, authorized and directed to record the lawful admission for permanent residence of the said aliens as of August 15, 1925, that being the approximate date on which they entered the United States at the port of New York, if they be found otherwise admissible under the provisions of the immigration laws, other than those relating to quotas. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct three numbers from the quota for Italy, when such quota numbers become available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UMBERTO DANTA ANNIBALI

The Clerk called the next bill, H. R. 5539, for the relief of Umberto Danta Annibali.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to cancel the outstanding warrant of arrest issued under deportation proceedings against the alien, Umberto Danta Annibali, notwithstanding any provision of existing law. From and after the effective date of this act Umberto Danta Annibali shall not again be subject to deportation by reason of the facts upon which the outstanding proceedings are based.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA AZUCENA ALVAREZ CANGA

The Clerk called the next bill, H. R. 3469, for the relief of Maria Azucena Alvarez Canga.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Maria Azucena Alvarez Canga as of September 15, 1938, the day on which she was temporarily admitted to the United States, if she is found to be otherwise admissible under the provisions of the immigration laws, other than those relating to quotas. Upon the enactment of this act, the Secretary of State shall instruct the proper control officer to deduct

one number from the Spanish quota of the first year that the said quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLORENCE CHUMLEY

The Clerk called the next bill, H. R. 5954, for the relief of Florence Chumley.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That in the administration of the immigration and naturalization laws the Attorney General be, and is hereby, authorized and directed to cancel the deportation order issued against Florence Chumley, and that Florence Chumley shall not hereafter be subject to deportation for the same cause or causes upon which the present order of deportation is based.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

D. H. DANTZLER

The Clerk called the next bill, H. R. 4354, for the relief of D. H. Dantzler.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to D. H. Dantzler the sum of \$28.55, this amount being due Mr. Dantzler for services rendered as former United States commissioner for the eastern district of South Carolina.

With the following committee amendment:

Page 1, strike out all after the enacting clause, and insert the following:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to D. H. Dantzler the sum of \$28.55, in full settlement of all claims against the United States for services rendered by him as a de facto United States Commissioner in the eastern district of South Carolina from December 29, 1938, to February 20, 1939, inclusive: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID B. BYRNE

The Clerk called the next bill, H. R. 4896, for the relief of David B. Byrne.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to David B. Byrne the sum of \$181.25, in full settlement of all claims against the Government for losses incurred by him as the result of

damages to personal property caused by fire while serving as a second lieutenant, in the Field Artillery School, at Fort Sill, Okla., on October 1, 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 7, strike out "Government" and insert "United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERANS' ADMINISTRATION

The Clerk called the next bill, H. R. 5652, to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of certain disbursing officers, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the employees responsible for the excess or erroneous payments represented by the sums (including interest accruals) herein stated be, and they are hereby, relieved of financial liability therefor and the Comptroller General is authorized and directed to allow credit in the settlement of the accounts of the following-named former disbursing officers of the Veterans' Administration and Guy F. Allen, chief disbursing officer, Treasury Department, in such amounts not exceeding the sums (including interest accruals) stated herein which have been, or hereafter may be, disallowed as may be necessary to relieve such disbursing officers of financial liability therefor: *Provided*, That this act shall not be construed to bar recovery of the amounts herein specified from the persons to whom and through whom such amounts have been paid:

First. William H. Holmes, former disbursing officer, Veterans' Administration, Washington, D. C., in the sums of \$290.50, symbol 11-006; and \$6,252.19, symbol 11-348, which amounts were expended during the period from May 7, 1921, through June 30, 1929.

Second. E. E. Miller, former disbursing officer, Pension Accounts, Pension Bureau, and Veterans' Administration, Washington, D. C., in the sum of \$2,924, which amount was expended during the period from August 16, 1926, through August 31, 1931, under symbol 62-044.

Third. J. B. Schommer, former disbursing officer, Veterans' Administration, Washington, D. C., in the sums of \$591.78, symbol 11-500; \$4,354.99, symbol 11-532; and \$6,915.51, symbol 11-666, which amounts were expended during the period from July 1, 1929, through June 30, 1934.

Fourth. Norma E. Hesterly, former disbursing officer, Veterans' Administration, Albuquerque, N. Mex., in the sum of \$75, which amount was expended during the period from July 1, 1933, through October 31, 1933, under symbol 11-474.

Fifth. Lawrence Levy, former disbursing officer, Veterans' Administration, Baltimore, Md., in the sum of \$57.60, which amount was expended during the period from October 1,



1934, through February 15, 1935, under symbol 11-366.

Sixth. J. W. Reynar, former disbursing officer, Veterans' Administration, Charlotte, N. C., in the sum of \$34.62, which amount was expended during the period from December 15, 1933, through May 1, 1934, under symbol 11-374.

Seventh. L. W. Looker, former disbursing officer, Veterans' Administration, Cleveland, Ohio, in the sum of \$1,177.43, which amount was expended on November 6, 1931, under symbol 99-114.

Eighth. M. V. Bates, former disbursing officer, Veterans' Administration, Detroit, Mich., in the sum of \$657.73, which amount was expended on August 25, 1932, under symbol 89-842.

Ninth. W. W. Weldon, former disbursing officer, Veterans' Administration facility, Hines, Ill., in the sum of \$18, which amount was expended on June 30, 1933, under symbol 11-521.

Tenth. N. B. Harrison (Mohen), former disbursing officer, Veterans' Administration facility, Los Angeles, Calif., in the sum of \$188.59, which amount was expended on January 19, 1934, under symbol 89-851.

Eleventh. P. E. Haase, former disbursing officer, Veterans' Administration, Louisville, Ky., in the sum of \$14, symbol 11-470, and \$494.69, symbol 99-130, which amounts were expended during the period from January 19, 1931, through March 31, 1935.

Twelfth. Don Iler, former disbursing officer, Veterans' Administration, New York, N. Y., in the sum of \$12.90, which amount was expended on January 26, 1932, under symbol 99-138.

Thirteenth. M. L. Morris, former disbursing officer, Veterans' Administration, Oklahoma City, Okla., in the sum of \$826.78, which amount was expended on August 11, 1932, under symbol 99-139.

Fourteenth. L. S. McCracken, former disbursing officer, Veterans' Administration, San Francisco, Calif., in the sum of \$158.52, which amount was expended on March 4, 1931, under symbol 99-151.

Fifteenth. J. William Yates, Jr., former disbursing officer, Veterans' Administration, Tuscaloosa, Ala., in the sum of \$88, which amount was expended during the period from October 1, 1934, through January 31, 1935, under symbol 11-383.

Sixteenth. G. F. Allen, Chief Disbursing Officer, Treasury Department, Washington, D. C., in the sums of \$486.34, symbol 11-559; \$11,291.19, symbol 11-561; \$5, symbol 11-564; \$180, symbol 11-565; \$27.79, symbol 11-566; \$5, symbol 11-568; \$147.25, symbol 11-569; \$29, symbol 11-570; \$124.84, symbol 11-571; \$108.61, symbol 11-572; \$69.40, symbol 11-573; \$60.75, symbol 11-574; \$9.75, symbol 11-576; \$4.60, symbol 11-577; \$44.50, symbol 11-578; \$2.50, symbol 11-581; \$1,041.81, symbol 11-647; \$507.57, symbol 99-287; \$1,731.10, symbol 99-280; \$377, symbol 99-282; \$100, symbol 99-283; \$787, symbol 99-284; \$305.50, symbol 99-286; \$507.57, symbol 99-287; \$1,731, symbol 99-288; \$196.38, symbol 99-289; \$619.50, symbol 99-290; \$98.50, symbol 99-292, which amounts were expended during the period from July 1, 1934, through June 30, 1940.

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, the following sums to the persons hereinafter designated.

First. Betty S. Akers, formerly temporarily employed as junior typist at Veterans' Administration facility, Mountain Home, Tenn., the sum of \$113.47, which was deducted from salary payment due her.

Second. Agnes L. Hill, formerly temporarily employed as junior stenographer at Veterans' Administration, Detroit, Mich., the sum of \$312.06, which was deducted from salary and retirement fund due her.

Third. Margaret B. Hobson, now Grim, formerly temporarily employed as stenographer at Veterans' Administration facility, Roanoke, Va., the sum of \$51.55, which was refunded by her on May 2, 1940.

Fourth. Kenneth R. Huffine, formerly temporarily employed as chauffeur at Veterans' Administration facility, Mountain Home, Tenn., the sum of \$119.21, of which cash refunds totaling \$49.98 were made by him and the balance of \$69.23 was deducted from salary payment due him for the period ending May 31, 1939.

Fifth. William V. Kamlade, formerly temporarily employed as junior stenographer at Veterans' Administration facility, Jefferson Barracks, Mo., the sum of \$48.76, which was due him as salary payment and used as an offset against the disallowance in his account.

Sixth. Milton G. Roberts, formerly temporarily employed as chauffeur at Veterans' Administration facility, Augusta, Ga., the sum of \$50.89, of which \$30 was deducted from salary payment due him for the period ending May 31, 1939, and \$20.89 recovered by cash refund.

Seventh. Ivan Sackman, formerly temporarily employed as clerk-typist at Veterans' Administration facility, Downey, Ill., the sum of \$24.77, which was deducted from salary payment due him for the period ending December 31, 1938.

Eighth. Edward J. Sinclair, formerly temporarily employed as junior stenographer at Veterans' Administration facility, Togus, Maine, the sum of \$37.04, which was refunded by him in April 1939.

With the following committee amendments:

Page 4, line 8, strike out "sum" and insert "sums."

Page 6, line 15, strike out "were" and insert "was."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### BUILDERS SPECIALTIES CO.

The Clerk called the next bill, H. R. 5865, for the relief of Builders Specialties Co.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$100 to Builders Specialties Co., 526 Forrest Road NE., Atlanta, Ga., in full settlement of all claims against the United States on account of mistake in bid for furnishing material to the Department of Justice Federal correctional institution, Tallahassee, Fla., under contract dated September 18, 1939, and purchase order No. 40-298.

With the following committee amendments:

Line 11, strike out the date "September 18, 1939" and insert in lieu thereof "September 22, 1939."

At the end of the bill strike out the period and insert "": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof

shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOWARD L. MILLER

The Clerk called the next bill, H. R. 5887, for the relief of Howard L. Miller.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Howard L. Miller, of Abilene, Tex., the sum of \$2,360 in full settlement of all claims against the United States for the loss of 222 ewes and 35 lambs which were drowned during Army maneuvers on May 20, 1941, at which time his land was being used by the United States Army troops: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

B. H. WILFORD

The Clerk called the next bill, H. R. 6226, for the relief of B. H. Wilford.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$235.99, to B. H. Wilford in full payment and satisfaction for overpayments in the foregoing amount, resulting from the application of Public Law No. 839, Seventy-sixth Congress, and Executive Order No. 8588, dated November 7, 1940, to the shipment, on December 14, 1940, of his household goods and personal effects upon change of official station: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### RELIEF OF CERTAIN DISBURSING OFFICERS OF THE ARMY FOR SETTLEMENT OF INDIVIDUAL CLAIMS APPROVED BY THE WAR DEPARTMENT

The Clerk called the next bill, H. R. 6328, for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the Army of the United States the amounts set opposite their names: Lt. Col. Roy J. Caperton, Finance Department, \$16.75; Lt. Col. Walter D. Dabney, Finance Department, \$69.24; Maj. E. H. deSaussure (Cavalry), Finance Department, \$15.60; Maj. John R. Gilchrist, Finance Department, \$254.90; Lt. Col. Leo L. Gocker, Finance Department, \$10; Lt. Col. William S. Keller, Finance Department, \$295.06; Col. Montgomery T. Legg, Finance Department, \$70; Lt. Col. Clarence B. Lindner, Finance Department, \$23; Lt. Col. Emmet C. Morton, Finance Department (now retired), \$132.18; Capt. E. A. Muth, Finance Reserve, \$5; Lt. Col. Sidney C. Page, Finance Department, \$35; Lt. Col. Frank E. Parker (deceased), Finance Department, \$123.22; Maj. Florio J. Stagliano, Finance Department, \$13.27; Lt. Col. Wallace C. Steiger, Finance Department, \$13; Lt. Col. Thomas P. Walsh, Finance Department, \$115.10; Lt. Col. Hugh Whitt, Finance Department, \$42.60; Lt. Col. Stephen R. Beard, Finance Department, \$3,168.22; and Lt. Col. Eugene M. Foster, Finance Department, \$268.23; the said amounts representing erroneous payments of public funds for which these officers are accountable, such erroneous payments having resulted from minor errors in the computations of pay and allowances due former members of the Civilian Conservation Corps, former members of the Army of the United States, civilian employees, and commercial firms or individuals from whom collection of the overpayments cannot be effected, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Lt. Col. Charles K. McAllister, Finance Department, the sum of \$1,222, public funds for which he is accountable, which were stolen from the safe of his agent officer, Wray F. Sagaser, at Civilian Conservation Corps Company 794, Ogden Bay Refuge BS-2, near Hooper, Utah, by a person or persons unknown: *Provided*, That no part of said sum shall be charged to the said Wray F. Sagaser.

SEC. 3. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Staff Sgt. James A. Matlock the amount of \$78.50, in full satisfaction of his claim against the United States for a like amount refunded by him on account of a payment previously made to him: *Provided*, That no person shall be held pecuniarily liable on account of the above-mentioned payment.

SEC. 4. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maj. Harold T. Molloy (Field Artillery), Quartermaster Corps, the amount of \$23.65, in full satisfaction of his claim against the United States for a like amount paid by him to make good the loss of public funds for which he was responsible as sales officer at Vancouver Barracks, Washington, and which public funds were stolen by the cashier, sales office, an enlisted man.

SEC. 5. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Lt. Col. Irvin V. Todd, Finance Department (deceased), the sum of \$57.85, public funds for which he is accountable, such sum representing erroneous payments resulting from minor errors in the computation of pay and allowances due to three former members of the Civilian Conservation Corps and a member of the Officers' Reserve Corps.

SEC. 6. That the Comptroller General of the United States be, and he is hereby, authorized

and directed to credit in the accounts of Lt. Col. William H. Kasten, Finance Department, in the sum of \$14.50, public funds for which he is accountable, which sum was paid by him to members of the Civilian Conservation Corps on vouchers subsequently determined to have been issued for services improperly ordered by a camp superintendent.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### REV. JULIUS PAAL

The Clerk called the next bill, H. R. 1374, to record the lawful admission to the United States for permanent residence of Rev. Julius Paal.

There being no objection, the Clerk read the bill as follows:

*Be it enacted, etc.,* That the Secretary of Labor be, and is hereby, authorized and directed to record the lawful admission for permanent residence of Rev. Julius Paal, who entered the United States at New York on October 5, 1937, and that he shall, for all purposes under the immigration and naturalization laws, be deemed to have been lawfully admitted as an immigrant for permanent residence. Upon the enactment of this act the Secretary of State shall direct the proper quota-control officer to deduct one number from the Hungarian quota for the first year said Hungarian quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### NATIONAL HEATING CO., WASHINGTON, D. C.

The Clerk called the next bill, H. R. 2980, for the relief of National Heating Co., Washington, D. C.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That upon satisfactory completion by National Heating Co., Washington, D. C., of its contract with the United States for the construction for the National Advisory Committee for Aeronautics of a central heating plant at Langley Field, Va. (N. A. C. A. contract-NAW 876, requisition 47), the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said National Heating Co., the sum of \$10,000. A typographical error in connection with the submission of the bid of the said National Heating Co. for such construction caused such bid to be \$10,000 less than it should have been, and if such typographical error had not been made, the bid of the said National Heating Co. for such construction would still have been the lowest bid therefor by \$2,600.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated to the National Heating Co., of Washington, D. C., the sum of \$8,613.93 in full settlement of all claims against the United States for losses occasioned by a typographical error made in connection with the submission of a bid for the construction of a central heating plant at Langley Field, Va., with the National Advisory Committee for Aeronautics (N. A. C. A. contract-NAW 876, requisition 47): *Provided*, That no part of the amount ap-

propriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### ROBERT L. DEMUTH

The Clerk called the next bill, H. R. 4409, granting jurisdiction to the United States Circuit Court of Appeals for the Second Circuit to reopen and readjudicate the case of Robert L. Demuth.

Mr. GORE and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Claims.

#### BLANCHE E. BROAD

The Clerk called the bill (H. R. 4524) for the relief of Blanche E. Broad.

Mr. HANCOCK and Mr. MOTT objected, and the bill was recommitted to the Committee on Claims.

#### FLOYD P. MORITZKY

The Clerk called the bill (H. R. 4657) for the relief of Floyd P. Moritzky.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Floyd P. Moritzky, of Coffeyville, Kans., the sum of \$5,000, in full settlement of all claims against the United States, for personal injuries sustained on September 18, 1936, when an Army truck in which he was an authorized passenger crashed into a tree while en route to Fort Riley, Kans.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$5,000" and insert "\$4,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MAX GEISSLER

The Clerk called the bill (H. R. 5816) for the relief of Max Geissler.

Mr. GORE and Mr. MOTT objected, and the bill was recommitted to the Committee on Claims.

#### ROY F. LASSLY

The Clerk called the bill (H. R. 5857) for the relief of Roy F. Lassly, former



acting chief disbursing clerk, Department of the Interior, and G. F. Allen, chief disbursing officer, Division of Disbursement, Treasury Department.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Roy F. Lassly, former acting chief disbursing clerk, Department of the Interior, the sum of \$7,533.50, and in the accounts of G. F. Allen, chief disbursing officer, Division of Disbursement, Treasury Department, the sum of \$20,012.20, public funds for which they are accountable, and which were paid by them on fraudulent vouchers prepared by a trusted employee of the National Park Service, Department of the Interior.

The bill was ordered to be engrossed and read a third time, was read the third time, and a motion to reconsider was laid on the table.

#### MASON C. BRUNSON

The Clerk called the bill (H. R. 6145) for the relief of Mason C. Brunson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mason C. Brunson, Florence, S. C., the sum of \$352.70. Such sum represents the amount of fees earned by the said Mason C. Brunson for services rendered as United States commissioner, eastern district of South Carolina, during a portion of the quarter ending July 31, 1939, but not paid because the account covering such services was not rendered within the time prescribed by law.

With the following committee amendments:

Page 1, line 6, strike out "\$352.70" and insert "\$292.05."

At the end of the bill strike out the period, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### PORTLAND SPORTWEAR MANUFACTURING CO.

The Clerk called the bill (S. 1523) for the relief of the Portland Sportwear Manufacturing Co.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Comptroller General of the United States is authorized and directed to release the Portland Sportwear Manufacturing Co., of Portland, Oreg.,

from its obligation to pay all excess costs resulting from the purchase in the open market of certain coats on account of the failure of such company to perform contract No. W-669-qm-CIV-462 after its bid, dated November 23, 1940, had been accepted.

Sec. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to such Portland Sportwear Manufacturing Co. a sum equal to the total sum of any amounts paid by it in payment of such excess costs.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### WILLARD R. CENTERWALL

The Clerk called the bill (S. 2011) for the relief of Willard R. Centerwall, formerly superintendent and special disbursing agent at the Tongue River Indian Agency.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Comptroller General be, and he is hereby, authorized and directed to allow credit in the official accounts of Willard R. Centerwall, formerly superintendent and special disbursing agent at the Tongue River Indian Agency, for disallowances in the amounts of \$26.82 and \$11.53 under certificates of settlement of accounts by the General Accounting Office Nos. G-108840-Ind and H-5451-Ind dated December 1, 1938, and June 5, 1940, respectively.

Sec. 2. The Secretary of the Treasury is hereby authorized and directed to refund out of any moneys in the Treasury not otherwise appropriated any payments made by the said Willard R. Centerwall on account of the disallowances in question.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### JOHN HUFF

The Clerk called the bill (H. R. 2430) for the relief of John Huff.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Huff, of Yardville, N. J., the sum of \$5,000, in full satisfaction of his claims, and those of his wife, Ertha Huff, and his daughter, Vivian Huff, against the United States for compensation for personal injuries sustained by them when their automobile was struck by an automobile of the War Department operated by Robert Fay, private, an enlisted man of the United States Army, on May 13, 1939, at the intersection of the Clarksville-Mercerville Road (Quaker Bridge Road) and State Highway No. 33 (Nottingham Way), Mercerville, N. J.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Sec. 2. Payment shall not be made under this act until the said John Huff has released, in a manner satisfactory to the Secretary of

the Treasury, any judgment or other claim arising out of such accident which he may have against the said Robert Fay.

With the following committee amendment:

Page 1, line 6, strike out "\$5,000" and insert "\$2,000."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MINNIE C. SANDERS

The Clerk called the bill (H. R. 3610) for the relief of Minnie C. Sanders and Henry G. Sanders, her husband.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Minnie C. Sanders, of the township of Union, Union County, N. J., the sum of \$5,000, and to Henry G. Sanders, her husband, the sum of \$1,500, in full settlement of all claims against the United States for personal injuries sustained by the said Minnie C. Sanders in an accident at West Point, N. Y., Military Reservation, on June 5, 1940, caused by the negligent operation of a truck and motorcycle, property of the United States, and being operated by its agents: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 7, strike out "\$5,000, and to Henry G. Sanders, her husband, the sum of \$1,500" and insert "\$3,000."

Page 2, line 1, strike out "caused by the negligent operation of a truck and motorcycle, property of the United States, and being operated by its agents," and insert "when she was struck by an Army motorcycle."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Minnie C. Sanders."

#### HENRIETTA MORITZ

The Clerk called the bill (H. R. 4303) for the relief of Henrietta Moritz.

Mr. MOTT, Mr. GORE, and Mr. HANCOCK objected, and the bill was recommended to the Committee on Claims.

#### JULIA PETERSON MILLS

The Clerk called the next bill, H. R. 5048, for the relief of Julia Peterson Mills.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GORE and Mr. GRANT of Indiana objected, and, under the rule, the bill was recommitted to the Committee on Claims.

NELL MAHONEY

The Clerk called the next bill, H. R. 5478, for the relief of Nell Mahoney.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Comptroller General of the United States is hereby authorized and directed to remove from the records of his office the debt which has been raised therein against Nell Mahoney, junior clerk-typist, Houston County, Tex., Rural Rehabilitation office of the Farm Security Administration, Department of Agriculture, at Crockett, Tex., in the sum of \$125.75, together with interest due thereon from date of loss, public funds for which she is accountable and which were stolen from her desk in the Houston County Rural Rehabilitation office, Crockett, Tex., without her fault, on September 18, 1940.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PARRIS ISLAND HURRICANE AND FLOOD: REIMBURSEMENT TO CERTAIN MEMBERS OF THE ARMED FORCES

The Clerk called the next bill, H. R. 5572, to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel and certain Federal civil employees for personal property lost or damaged as a result of the hurricane and flood at Parris Island, S. C., on August 11-12, 1940," approved April 23, 1941.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. YOUNG. Mr. Speaker, I object. There being no further objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed \$1,136.66, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, Capt. Peter A. McDonald, United States Marine Corps, for the value of personal property lost or damaged in the hurricane and flood at Parris Island, S. C., on August 11-12, 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT HALL INDIAN IRRIGATION PROJECT, IDAHO

The Clerk called the next bill, H. R. 6225, for the relief of certain individuals

in connection with the construction, operation, and maintenance of the Fort Hall Indian Irrigation project, Idaho.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the acts of June 20, 1938 (52 Stat. 1363), June 11, 1940 (Private, No. 362, 76th Cong.), and June 25, 1941 (Private, No. 121, 77th Cong.), for the relief of certain individuals named therein in connection with the construction, operation, and maintenance of the Fort Hall Indian Irrigation project, Idaho, are hereby supplemented and further amended by authorizing and directing payment as therein provided, out of any funds in the Treasury of the United States not otherwise appropriated, of the following amounts in lieu of the amounts provided for in the said act of June 20, 1938, to the individuals named: C. E. and Leonard R. Stedman, \$347; J. S. Bowker and J. L. Wilson, \$150; L. E. Winschell, \$150; Richard Torgensen, \$500; and W. James Chester, \$500: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARMELLA RIDGEWELL

The Clerk called the next bill, S. 806, for the relief of Carmella Ridgewell.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Carmella Ridgewell, of Providence, R. I., the sum of \$1,200.50, in full satisfaction of all claims against the United States for damages for personal injuries, medical expenses, and property damage sustained by her when the car which she was driving was struck by a truck owned by the United States Government and operated by G. Kazmirchuk, an employee of the National Youth Administration, at Campton, N. H., on July 17, 1939: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ETTA HOUSER FREEMAN

The Clerk called the next bill, S. 1266, conferring jurisdiction upon the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon the claim of Etta Houser Freeman.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HANCOCK, Mr. GRANT of Indiana, and Mr. MOTT objected, and, under

the rule, the bill was recommitted to the Committee on Claims.

MERCHANTS DISTILLING CORPORATION

The Clerk called the next bill, S. 1654, for the relief of the Merchants Distilling Corporation.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Merchants Distilling Corporation, of Terre Haute, Ind., the sum of \$4,154.62, in full satisfaction of its claim against the United States for a refund of the tax assessed and paid on two thousand and seventy-seven and thirty-one one-hundredths proof gallons of distilled spirits lost in the process of manufacture on March 25, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THURSTON AND HARDY, A PARTNERSHIP

The Clerk called the next bill, S. 1771, for the relief of R. V. Thurston and Joseph Hardy, a partnership.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to R. V. Thurston and Joseph Hardy, a partnership, the sum of \$3,600 in full satisfaction of its claim against the United States for the settlement of its war minerals relief claim (claim No. 940, under the act of June 30, 1936), the award of such sum to such partnership having been recommended on February 11, 1941, by the commissioner by whom such claim was considered and having been disallowed by the Secretary of the Interior on the ground that having previously made an award to such partnership under such act he was technically without authority to make the additional award recommended by the commissioner: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LESLIE TRUAX

The Clerk called the next bill, S. 1778, for the relief of Leslie Truax.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Les-



He Truax, the sum of \$1,000, in full settlement of any and all claims against the United States for injuries sustained on July 9, 1935, while a member of Battery A of the Citizens' Military Training Corps at Fort Snelling, Minn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. HUGH G. NICHOLSON

The Clerk called the next bill, S. 1848, for the relief of Dr. Hugh G. Nicholson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dr. Hugh G. Nicholson, the sum of \$3,300, in full settlement of all claims against the Government of the United States for medical services rendered to the Indians of Alaska from June 5, 1929, to January 8, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCIS HOWARD ROBINSON

The Clerk called the next bill, S. 1974, for the relief of Francis Howard Robinson.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$246.20 to reimburse Francis Howard Robinson, radioman first class, United States Navy, for the value of personal property lost or damaged in the fire in Government quarters occupied by him at United States naval radio station, Astoria, Oreg., on September 22, 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARCEL M. ROMAN ET AL.

The Clerk called the next bill, S. 381, for the relief of Marcel M. Roman, Clara M. Roman, and Rodica E. Roman.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.*, That in the administration of the immigration and naturalization laws Marcel M. Roman, his wife, Clara M. Roman, and daughter, Rodica E. Roman, shall be held and considered to have been lawfully admitted to the United States for permanent residence on May 1, 1939, the date the said Marcel M. Roman, Clara M. Roman, and Rodica E. Roman were admitted to the United States for temporary residence.

Sec. 2. Upon the enactment of this act the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct three numbers from the nonpreference category of the first available Rumanian immigration quota.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAX DELFINER AND HIS WIFE EVY (EWA)

The Clerk called the next bill, H. R. 3036, for the relief of Max Delfiner and his wife Evy (Ewa).

The SPEAKER. Is there objection?

Mr. GORE, Mr. HANCOCK, and Mr. GRANT of Indiana objected, and the bill, under the rule, was recommitted to the Committee on Immigration and Naturalization.

Mr. GORE. Mr. Speaker, I ask unanimous consent to dispense with further call of the Private Calendar.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1943

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6511) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1943, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6511, with Mr. BOEHNE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Under previous order of the House, there remains 1 hour of general debate, one-half of the time to be controlled by the gentleman from Indiana [Mr. LUDLOW] and one-half by the gentleman from New York [Mr. TABER].

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MARTIN J. KENNEDY].

Mr. MARTIN J. KENNEDY. Mr. Chairman, on last Saturday, a luncheon was given at Washington's most exclusive hotel, the Mayflower, by some New Yorkers for the Senators and Representatives from New York City. Because

only four Representatives attended that luncheon the New York Herald Tribune in a screeching editorial on Monday and the Daily Mirror, today in a petulant editorial took all the Members, from New York City, to task for their failure to attend the luncheon and their failure to have more Government offices moved from Washington to New York City.

Certainly, no Member of Congress objects to fair criticism but on the face of it this newspaper tirade and the threatening speeches made at the luncheon are unfair and misleading.

Since when has a refusal by a Member of Congress to attend a luncheon, given by a pressure group, been classified as a w. o. l. and the basis for censure by the press? Do the editors of the New York Herald Tribune and the Daily Mirror attend every excursion to which they are summoned? I think not, and properly so.

I am not going to read those editorials because they are so silly. It is hard to believe that editorial writers have time for such nonsense. They tell us, both the press and the pressure groups, that all the New York City Congressmen must do in order to obtain Government departments is to demand them from the President. Some of us have made many requests on behalf of New York City and I am happy to report, with fair success. However, there are other cities equally insistent and, deserving of consideration.

It might be well to examine the record on the subject of decentralization. On September 26, 1940, I presented to the House, and it appears in the CONGRESSIONAL RECORD, a copy of the report entitled "Report on Industrial Mobilization" prepared by one of our leading hotel men, Mr. Martin Sweeney. This report, submitted to Mayor LaGuardia, contained plans for decentralization of Government bureaus and suggested that various Government offices be moved to the city of New York for reasons of efficiency and economy. That was not last Saturday or last week but 15 months ago. Copies of the report were sent to every bureau chief in Washington. It was a concise, intelligent, and constructive document.

As a result of the Sweeney report, the mayor established a New York City Department of Commerce. The department is composed of our leading businessmen, serving without compensation. They, in turn, recruited from the ranks of our business organizations, many expert and talented men. The Metropolitan Life Insurance Co. donated the services of a real-estate expert and the National City Bank and Emigrant Industrial Savings Bank did likewise. These volunteers, at great expense and considerable time compiled an elaborate report, listing every foot of office space available, in our city, for Government rental. The transit facilities, housing, and all other data necessary to arrive at an intelligent decision, were cataloged. That report was brought to Washington, and copies were delivered to the department heads and the President.

In company with these representatives of the Department of Commerce of New York City, I visited many departments, and as a result of our presentation many bureaus have been moved to New York.

Our visitors of last Saturday are not satisfied with that record of accomplishment. They seem to want all Government departments for New York City. I am afraid they are a bit overzealous.

The CONGRESSIONAL RECORD of May 15, 1941, and of June 3, 1941, contains further evidence of my activity on behalf of New York City in the matter of Government office space.

On last Thursday I had the pleasure of addressing a meeting of the Commerce and Industry Association of New York, held in the Woolworth Building. At that meeting there were representatives of the restaurants, hotels, banks, insurance companies, and other business organizations. This problem has been of special concern to them, and they have been working hard with good results to obtain consideration for New York. The meeting was conducted on a high plane, and I feel sure that they will achieve their objectives.

This group that came down to Washington on Saturday and arranged an elaborate luncheon apparently are hard to please, or just refuse to be satisfied with our efforts. Because many of the Members from New York City took advantage of the House being in recess to return to their districts to visit with their families and constituents, they are politically doomed, as witness the words of one speaker, "We got the brush-off, and we ought to remember it next November in political action."

Mr. Chairman, that statement coming from a business group is unpardonable. The four Representatives that attended the luncheon on Saturday are all distinguished Members of our delegation, but I am surprised that even that number were present. Holding a meeting in Washington on a Saturday afternoon when the Congress is in recess is the least propitious time to hold an important meeting. Many of us feel it is necessary for the convenience of our constituents that we return home at every opportunity. Our constituents cannot afford the expense to come to Washington to see us, so we reverse the order and go home to see them.

Perhaps these good folks took their cue from a young newspaper writer on a New York paper. He said, "I will tell you what to do. Make these New York Congressmen and Senators do what the Congressman from Virginia did in order to get the Patent Office. The entire Virginia delegation, headed by Senator GLASS, went down and shook their fists in the face of the President and demanded that the State of Virginia be the State to which the Patent Office be moved. As a result of their demand the President sent the Patent Office to Richmond."

But this reporter did not tell all the facts in the case. Maybe the Senators and Representatives from Virginia did go to the President, but I doubt it. If the Patent Office had been sent to New York

many patent lawyers of the country would have been disqualified to practice under the laws of New York State, but that hardship means nothing to some people. It would have been a gross injustice, and for that reason I am glad it went to Virginia.

Mr. CELLER. Will the gentleman yield?

Mr. MARTIN J. KENNEDY. I yield to the gentleman from New York.

Mr. CELLER. May I say it was due in great measure to the efforts of the gentleman who is now addressing the House and several other Members of the New York delegation, including the gentleman from New York [Mr. FITZPATRICK] and myself, that induced the authorities to bring the Wage and Hour Division to New York and to bring several years ago the Home Owners' Loan Corporation and several other branches of Government up there. The newspapers made no mention of the efforts of the New York City delegation in that regard.

Mr. MARTIN J. KENNEDY. I agree with my colleague. Every Representative from New York City has worked hard on this proposition.

Mr. WILLIAM T. PHEIFFER. Will the gentleman yield?

Mr. MARTIN J. KENNEDY. I yield to the gentleman from New York.

Mr. WILLIAM T. PHEIFFER. I want to make this observation with regard to the luncheon meeting of last Saturday. It happened that I was one of the four Members of Congress from New York City who were present.

Mr. MARTIN J. KENNEDY. By the way, the editorial to which I referred devoted considerable space to the praises of the gentleman. The gentleman deserves the praise and I am glad to bring the matter to the attention of the House.

Mr. WILLIAM T. PHEIFFER. I am glad to hear the gentleman say that. The observation I wish to make is for the benefit of our colleagues who were not present. As my colleague [Mr. FITZPATRICK] will bear me out, every one of us who were present went to great lengths and took great pains in defending the absent Members against the statements and insinuations that they were laying down on the job, or being indifferent.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. WILLIAM T. PHEIFFER. We know full well that the gentleman from New York [Mr. MARTIN J. KENNEDY] who now has the floor, as well as the gentleman from New York [Mr. CELLER] and the other Members of the New York delegation, have been intensely interested in furthering the cause of our home city of New York in this important matter. Within the limitations of time permitted to Members of Congress in these trying days, with the tremendous pressure of work on all of us and the demands on one's time, we know that you gentlemen have been right in the traces along with us. I want you to know that you had friends at court last Saturday and that we did our utmost to make all of these

gentlemen from New York realize that. At that meeting there was a fine cross section of the business life of New York and we were glad to have the delegation come down here. We who were present tried to make them understand your viewpoint and to impress on them that you were at the meeting quite heartily in spirit, and that every member of the New York City delegation could be depended on to work hand in glove with us.

Mr. MARTIN J. KENNEDY. I appreciate what the gentleman has to say, but I shall be content to let the record speak for me.

Mr. Chairman, I hold in my hand a letter from T. J. Miley, secretary of the Commerce and Industry Association of New York, thanking me for my work along this line.

I never quarrel with a newspaper and I always welcome fair criticism. I think criticism is necessary, but we should have constructive, intelligent, and impartial criticism, not merely selfish views expressed in sharp language.

Mr. RICH. Will the gentleman yield?

Mr. MARTIN J. KENNEDY. I yield to the gentleman from Pennsylvania.

Mr. RICH. I realize that the gentleman from New York and the other Members from New York City have tried to get everything up there that they can. I think it is probably a good thing that the Government did not move these Government offices to New York because the rents are too high up there. You should not be blamed because you are trying to help the Government. If you will try to keep the Government agencies and offices in cities where there is not such great expense, you will be doing the country more good than anything else you can do. The people of New York should not criticize you because they are complaining about taxes now.

Mr. MARTIN J. KENNEDY. I do not agree with the gentleman's statement as to high rents, because office space in my city is being offered at the lowest rates for equivalent facilities of any city in the country.

I want the record to show that every Member from New York has made some effort during the past 2 years to get Government offices for New York. I should also like to send a message back to this committee, of last Saturday, that they are following a wrong course. Instead of inspiring our membership to greater accomplishments they have had the opposite effect.

I understand that the final decision as to who shall move out of Washington is made by the President because of the human problems involved. Many of the families whose children are going to school and who have built homes in which they have invested their life savings, must be considered.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 1 additional minute to the gentleman from New York.

Mr. MARTIN J. KENNEDY. I have been asked by one of my colleagues to read a resolution that was submitted to



him at the Saturday afternoon luncheon. It reads as follows:

Congress should insist upon the decentralization of Washington at once, ordering the transfer of such departments and agencies not connected with the war to New York City.

The only place that sort of a resolution might be adopted would be at a meeting of the Real Estate Owners Association. Surely no one with the intelligence of a child would offer it in the Congress of the United States.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, to start with, may I say that I regret that I was not able to attend the hearings very generally on this bill? I am pretty familiar with it from past experience and from going over the hearings that have been held, but the members of the committee, headed by the gentleman from Indiana [Mr. LUDLOW] and including amongst its minority members the gentleman from Wisconsin [Mr. KEEFE] and the gentleman from Pennsylvania [Mr. RICH], have covered the ground pretty thoroughly on the floor here.

There are three or four outstanding matters in the bill to which I should like to call your attention. The first item is the one to which the gentleman from Wisconsin [Mr. KEEFE] referred so effectively yesterday, an item of \$250,000 for the Bureau of Accounts in the Treasury Department, set up by Executive Order No. 8512. This Executive order delegates duties to the Bureau of Accounts which are a direct contradiction of section 309 of the Budget and Accounting Act of 1921.

Section 309 states:

The Comptroller General shall prescribe the forms, systems, and procedure for administrative appropriation and fund accounting in the several departments and establishments, and for the administrative examination of fiscal officers' accounts and claims against the United States.

The Bureau of Accounts proposes under that Executive order, if they are given this money, amongst other things, to prescribe uniform terminology, standards, and classifications for use by all agencies of the Government, including corporations; and, second, to have all Federal agencies, including corporations, submit periodic financial reports to the Treasury in accordance with prescribed standards.

The foregoing appears on page 113 of the justification.

That is a direct duplication of the work laid down in the law for the Comptroller General and would result, if it were held valid, which I do not believe it would be, in two agencies prescribing the forms and terminology of the accounts which our departments would keep. That is a most ridiculous situation, and must be avoided. The Comptroller General has that job. It is necessary if he is to preserve his independence that he be permitted to retain that job. It is necessary if the Congress is to preserve its independence that it be permitted to see that the Comptroller General does retain that job.

There is no information they cannot get if they want it. I have heard peo-

ple say that the Bureau of Accounts could not tell what a battleship costs. It is not supposed to. The Navy Department is the agency that is supposed to tell what a battleship costs, and they can tell.

I feel a little more strongly about this matter than do some of the others because I was on the first reorganization committee and heard the report of the commission that was headed by Dr. Brownlow and which included a lot of other men who had not had very much experience in the operations of the Government. I heard them tell how they wanted to take away most of the authority from the Comptroller General and put it into the Bureau of Accounts. A proposal such as this makes me feel that the spectre of Dr. Brownlow is again creeping up on the authority of the Comptroller General. I do not want to see that done. So much for that. I am certain that if the Comptroller General were asked by the Bureau of Accounts or the Budget to prescribe any definite form of accounts that they might want to be kept that was within reason and was intelligent, the Comptroller General would do the job.

There are one or two items in the bill that I think have been treated pretty liberally. I, frankly, think that the Bureau of Internal Revenue has been given more money than it should have been given. It has been given an increase of over \$8,000,000. I appreciate the problems they have to face. On the other hand, my own experience with them leads me to the irresistible conclusion that they have absorbed help down there faster than they have been able to train them and put them to work effectively and that this has resulted in a very considerable amount of inefficiency. If they are slowed down somewhat their morale, I believe, would be improved.

I have very grave doubt if the number of inspectors that has been allowed the Post Office Department is justified, but, as a whole, I think the committee has done a pretty fair job in regulating the size of the operations and putting them in line with what the real requirements of the different bureaus and departments are.

This bill actually calls for practically \$6,000,000,000, although the direct appropriations are only \$1,100,000,000-plus. But the permanent appropriations that run along with it run \$4,750,000,000, according to the way it was figured out at the time the Budget estimate was prepared and, currently, I believe they would run a couple of hundred million dollars more than that. It is a very important bill.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 2 additional minutes.

Now, there are some things in connection with the Post Office operations that I think should be called to the country's attention. I am not opposed to air mail, but I do not like to see folks running around telling that the air-mail operation is nearly self-sustaining. You know you pay 6 cents for air mail, and it is handled in the Post Office the same as other mail. A good many times it has a

stretch of railroad travel and almost always it has a stretch of truck travel, and when they come to figure up the cost of air mail they do not include any of the ordinary operations of handling first-class postage. They just include the special contracts that are made for flying the mail and credit the whole 6 cents to the receipts. So, really, they give no picture such as a cost accountant would give if he went over the figures. We are a good ways from making it pay. I do not know that we will ever be able to make it pay, but that is no reason why we should not have it, although I just do not like to see the people fool themselves in the matter.

I do not propose to take any further time. I think I have been talking long enough. With what the gentleman from Indiana [Mr. LUDLOW] has said to you and the gentleman from Wisconsin [Mr. KEEFE], I think the record shows a pretty fair picture of what the situations are that are involved in this bill, and I hope, as the bill is read, you will give it your earnest consideration.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I, too, want to pay my respects to the chairman of the committee, the gentleman from Indiana [Mr. LUDLOW], for the very fine work that he and the other members of the committee have done and for the time and attention they have given to this bill. They certainly deserve credit for the fine work they have done on this bill.

This bill for the Treasury and Post Office Departments, as most Members believe it to be, is for \$1,112,926,000. This is an increase of \$25,604,000 over last year, but when you consider the testimony of the Treasury Department you will find that they are coming back here for many millions of dollars more for carrying on the work of the Treasury Department on account of the enormous amount of war work that is being carried on, as well as the sale of bonds and things of that kind that enter into the total cost of the operation of the Post Office and Treasury Departments. So the deficiency bills will carry large additional appropriations for the Post Office and Treasury Departments.

As to the permanent appropriations of the Treasury Department we will just take two items which are additional to the amounts I read a few moments ago. For the interest on the public debt they are now asking \$1,450,000,000, and we were told that before the year is over they will ask for \$300,000,000 additional, making a great increase in the interest paid on the national debt. The unemployment trust fund in this bill amounts to \$1,413,351,043. That makes the sum total of the bill at the present time \$5,879,000,000, a vast sum of money, and just think, we are taking 2 days' time to put a bill of this kind through. Last week a bill for nineteen billion went through the House in 3 hours.

Let us look at some of the items in the bill. The item for the deficit in the Post Office Department for 1939 was

\$40,167,244; in 1940 the deficit of the Post Office Department amounted to \$41,358,783; the deficit for 1941 was \$26,963,681. Some people think that we are going to have a balanced budget in the Post Office Department this year, but I do not think that will be the case. Let us review for a moment some of the things that have happened in the past few years with reference to the Post Office Department. The question was asked Secretary Walker about the discontinuance of the 3-cent postage. We know that in 1933 the 3-cent postage was placed on letters in order to get \$100,000,000 to pay for some of the expenses of government at that time, and that was supposed to be used as a credit to the Treasury, but since that time you have passed so many laws in the Post Office Department that we have used up not only the \$115,000,000 but we still were in the red in the Post Office Department last year to the amount of \$17,414,000. We asked Secretary Walker with reference to the continuance of the 3-cent postage, and I quote from his remarks:

A continuation of the 3-cent rate is necessary, because if it was reduced to 2 cents, taking the 1940 figures, the revenues on first-class mail would be \$110,000,000 less; the postal deficit of \$42,000,000 would be increased to \$152,000,000. That is for 1940.

Then the question was asked about balancing the budget in the Post Office Department. I do not think we are going to balance it, and neither does Mr. Walker, and I quote from his testimony on page 27 of the hearings:

I do not want to disagree with the estimates, but when it is indicated that we may have a surplus in 1943, I am very dubious, because costs are mounting. Our costs are not reflected immediately, along with our revenues. Our revenues are coming at a high figure, but our costs will not be reflected for 3, 4, or 6 months later.

So that when we talk about getting a balanced budget in the Post Office Department, the Secretary did not think so, and from the results that I have seen in the last 10 years in watching the Post Office Department, and the other branches of this Government, I do not expect that to happen.

Another thing that increases the cost of this bill is the salary increases under the Ramspeck Act, and the new appropriations that are necessary for the Treasury promotions for this year amount to \$2,402,949, and for the Post Office Department, \$847,221, or a promotion increase amounting to \$3,250,170. That is a very large sum, and it is going to be necessary for the taxpayers now to make up this difference because of the increased salaries of the Post Office employees and the Treasury Department employees.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. RICH. I have not the time right now. If I get additional time I shall be glad to yield to the gentleman. I say to the Members of the House that it is going to be necessary for us to buckle up our belts and do something different from what we have been doing. We have to

learn to say "No" in Congress, because we are going to be asked and have been asked for all kinds of legislation that means more money, something for somebody back home, and so forth.

Just let me review the legislation that has been passed so far as appropriations are concerned since January 3, 1942. There is the independent offices appropriation bill amounting to \$2,100,000,000, than for the airplanes bill you have appropriated \$12,556,000,000, \$4,000,000,000 the President can give away, and for the Navy you passed a bill in the House appropriating some \$19,000,000,000, and I understand it is going to conference now and will amount, since the Senate has had it, to \$25,500,000,000. When that bill comes back to the House, certainly some consideration by the House of Representatives ought to be given to the additional \$5,000,000,000 added to that bill. Then we have this bill with permanent appropriations amounting to \$5,879,000,000, or a total of appropriations since the 3d of January of \$46,045,000,000, a sum unequaled in the history of the world by any legislative body in making appropriations. What worries me is whether we are going to be able to stand it. Will we break down financially? Here we are in war, and it is going to be necessary for us to economize, and with the recommendations that have been made to Congress every man here is responsible to cut down these appropriation bills everywhere he can, because, God knows, legitimate criticism now is the best thing that we can do to help win this war, to help our country. Unless we can get that kind of criticism we are lost as sure as the sun rises tomorrow morning.

I cannot help but take the recommendation made by Mr. Morgenthau to the Byrd committee. I would like to have you all read his recommendations which were made on Friday, the 14th of November, 1941, of economies suggested by him, so that eventually when certain bills come before the House you will be able to cut down; many of the appropriations are yet to come before this body. The President, in his address, enumerated a number of items where we could cut down for the year. You should review these recommendations.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman from Pennsylvania 3 additional minutes.

Mr. RICH. I would like to have you take that Byrd committee report and look at the recommendations they have made of a number of things which could be cut out of the appropriations that are going to come before us this year. For your information I am going to read a few of them.

Civilian Conservation Corps, abolished, with a saving of \$246,960,000.

National Youth Administration, abolished, with a saving of \$91,767,000.

W. P. A., cut down at least \$400,000,000.

Farm-tenant program, abolished, with a saving of \$7,122,000.

Farm Security Administration, abolished, with a saving of \$70,500,000.

The committee also make a great many recommendations for the deferment of public building for nondefense purposes; deferment of Department of the Interior items; deferment of rivers and harbors and flood-control propositions.

You know you will be requested to pass some of those bills. It is terrible, in my judgment, if you even give serious consideration to them; they should be deferred for the duration.

Here you can save a billion dollars. Will you do it? If anyone believes that a billion dollars is chicken feed, just paraphrase Winston Churchill, "Some chicken; some feed!" At \$2.50 per bag of 100 pounds, \$1,000,000,000 will buy 400,000,000 bags of feed, enough to feed a flock of chickens for 4,000,000,000 weeks, or 76,900 years. I say "some chicken feed!"

Now, just remember that you are dealing with the taxpayers of America. You are going to have placed upon them greater burdens by increasing their taxes. When your people pay their taxes on the 15th of March they are going to find out it is the greatest burden that has ever been placed upon them; but I say to the American taxpayers they have seen nothing yet. Wait until you get through with them this year with new taxes. Then their backs will bend and they will have a difficult time making ends meet. Taxes—more taxes are yours to come.

That is not all. The greatest danger is the bankruptcy of the American Nation. If the American Nation goes bankrupt what good is a 7,000,000 army? What good is a two-ocean navy going to be? What is the use of having all these things prepared to do a job that is necessary to do, that is, to put these yellow-bellied Japs where they ought to be put, if this Nation goes bankrupt? It is your duty and my duty to cut down these expenses all we can, to preserve the security of a nation that is built on a sound financial policy.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. FITZPATRICK].

Mr. FITZPATRICK. Mr. Chairman, I tried to get the gentleman from Pennsylvania [Mr. RICH] to yield to me for a question. The gentleman from Pennsylvania speaks about economy and where we can save some money, and he criticizes the Post Office Department for some of its extravagance.

On page 114 of the annual report of the Postmaster General for 1940, you will find according to his report that the Government lost \$85,381,026.63 on second-class mail. On third-class mail, \$26,291,985.68 was lost.

On fourth class mail \$21,809,869.92, or a total of \$133,482,832.23.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. Yes; I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I expected my distinguished friend from New York to call attention to second-class mail, as he usually does. I call his attention to Secretary Morgenthau's statement—



Mr. FITZPATRICK. Now, are you going to give me the figures of the Postmaster General, as stated in his annual report?

Mr. CASE of South Dakota. I am going to give the figures in Secretary Morgenthau's statement.

Mr. FITZPATRICK. I refuse to yield for that, because I am giving the facts and figures from the annual reports of the Postmaster General for 1940 and 1941.

In 1941, on second-class mail, the Government lost \$83,519,746.30; on third-class mail, \$22,325,181.15; on fourth-class mail, \$19,092,069.41; or a total of \$124,936,996.86.

Should we not stop giving subsidies to the second-, third-, and fourth-class mail and save the taxpayers some money? About a billion dollars has been given away in the last 8 years.

Mr. RICH. If you will put in a bill here, and the administration will foster it, you will find the Republicans will vote for it. I will be the first one to vote for it.

Mr. FITZPATRICK. Amendments have been offered on different occasions, but have always been rejected by the committee.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. And from another angle there is something more than dollar values, there are human values not only in life but in government.

Mr. FITZPATRICK. Absolutely; but some of our Members cannot see it that way. I doubt if there is any department in the Federal Government that is handled with more efficiency than the Post Office. In my opinion, the postal employees are a patriotic and loyal group of workers.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I am sorry my distinguished friend the gentleman from New York declined to yield, for I wanted to give him a little new light from testimony of Secretary Morgenthau during the consideration of this bill in the committee. The chairman of the subcommittee, the gentleman from Indiana [Mr. LUDLOW], had asked:

But you do not think there is anywhere in the estimate a place where you could cut down with safety?

Secretary MORGENTHAU. I think they have cut it in a number of instances.

Then the Secretary called attention to new duties and activities and said:

Take the item of Defense Savings bonds. It appears we have been running on a shoestring. I mean by that our sales costs are so far extremely low; and if it were not for the wonderful contributions we get from the newspapers, the public could not begin to get the information for anything like the cost.

The fact is that the Government is the greatest free rider of any agency in the country that is seeking to reach the public. It puts out press releases by the

millions of dollars' worth and piles them on the desk of newspaper editors.

Secretary Morgenthau's testimony is that if it were not for the services of the newspapers they could not begin to get the information on the Defense bond program across as they have. What the gentleman calls subsidy of second-class mail is the best investment the Government makes.

And possibly the gentleman noticed the other day that here in Washington 2 or 3 days before the dead line for the acquiring of car use stamps there were 130,000 cars without them; yet the newspapers without a cent of cost to the Government put in a few items about it, and the day following the dead line reported that 190,000 of those stamps had been purchased. In a democracy there is no substitute for the spreading of public information. This Government gets dividends a hundred times over for its encouragement of newspapers.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, may I inquire how the time stands?

The CHAIRMAN. The gentleman from Indiana has 10 minutes remaining, the gentleman from New York 3 minutes.

Mr. LUDLOW. I have no further requests for time.

Mr. TABER. Will the gentleman from Indiana yield to the gentleman from Wisconsin?

Mr. LUDLOW. I yield to the gentleman from Wisconsin [Mr. KEEFE] such time as he may desire.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, on yesterday I endeavored to indicate the difficulty that confronts the Appropriations Committee in its effort to reduce the expenditures for these two departments of Government. I called specific attention to a number of instances as disclosed by this appropriation bill where the hands of the committee are tied by prior legislative enactments that make necessary the expenditure of much of the money that is proposed to be appropriated. I wanted to call attention to one matter that was brought to the attention of the committee by the distinguished gentleman from Kentucky [Mr. O'NEAL] in his examination of Mr. Purdum. It relates to the compensation paid by the Government for the transportation of domestic air mail. In the Budget estimate in this bill is an item of twenty-three million five hundred and twelve thousand-odd dollars to be used to compensate domestic air-mail companies for the carrying of domestic air mail. The question arises: Is this a fair figure? Is it an exorbitant figure? Or is it an understatement that may result in a deficiency? Could this item be reduced or eliminated? The facts are that neither the Post Office Department nor the Appropriations Committee has any control over that particular item except that the Congress may act in the matter of curtailing the expansion of the domestic air-mail service or curtail the number of domestic air-mail flights. If, however, we want the service and want to see the service expanded we must pay for

it, but we have no voice in the question as to how much we shall pay. Congress has placed the responsibility for determining the compensation to domestic air-line companies in the hands of the Civil Aeronautics Authority the same as it has placed in the hands of the Interstate Commerce Commission the question as to the rates that shall be paid to the railroad companies for their handling of the mail. Is it not therefore clear that when criticism is directed at this committee or the Congress because of its failure to reduce these expenditures, a simple survey of the facts indicates that our hands are frequently tied by prior legislative enactments. It should be perfectly clear that the only way this item can be reduced therefore is to have the C. A. A. reduce the rates or eliminate or curtail the service. To eliminate or destroy this fundamental service would be a tragic blow to the effective and speedy handling of the mail. I feel sure that the public who pay the bills for postal service would resist any such proposal.

I want to direct your attention to the fact that the evidence disclosed in connection with the payment of compensation for carrying domestic air mail that Mr. Purdum testified they have tried repeatedly and repeatedly to get the Civil Aeronautics Authority to make a reinvestigation of the adequacy or inadequacy of these rates, and whether or not overcharges are being paid which result in the accumulation of huge profits for the air-line companies carrying domestic air mail. The same comment might also apply to those that are carrying foreign mail in the foreign air-mail service.

The facts indicate that the Civil Aeronautics Authority fixes the rate and, despite the fact that we have had tremendous increases in the number of flights and tremendous increases in the whole transportation of mail by air, the Civil Aeronautics Authority, in my humble judgment, as disclosed by this record, beginning on page 124 of the printed hearings, has failed for a long time to make a proper appraisal of the rate structure under which both the domestic air-mail carriers and the foreign carriers of air mail receive their compensation. It should be directed to the attention of the Civil Aeronautics Authority that they should act in response to the charges that both the foreign air-mail carriers and the domestic air-mail carriers in many instances are fattening themselves unduly at the expense of the taxpayers who are paying the charges for carrying this mail.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HAINES. Will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Pennsylvania.

Mr. HAINES. May I inquire of the gentleman if he agrees with me that Mr. Purdum has proven himself to be an efficient public servant in connection with his work with that Department?

Mr. KEEFE. My experience as a member of this committee and my contacts with Mr. Smith Purdum, convince

me definitely that he is an efficient, loyal servant of the public, an indefatigable worker, and one in whom I have the highest confidence.

Mr. HAINES. I am very pleased to hear the gentleman say that.

Mr. KEEFE. And what I say on behalf of Mr. Purdum may likewise be said of the other Assistant Postmasters General. I think they are all splendid examples of outstanding Americans who are devoting themselves assiduously to the public service.

Mr. HAINES. The gentleman realizes, of course, that I am a member of the Post Offices and Post Roads Committee, and I have occasion to come in contact with these men very frequently. I am glad to have the gentleman pay that tribute.

Mr. RANDOLPH. Will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I appreciate the observation just made by the gentleman from Pennsylvania, which is concurred in by the gentleman from Wisconsin now occupying the floor. I simply want to add my own personal appreciation for the services in a governmental agency such as is being given to America and its people by Smith Purdum. He came up from the ranks, and the position he now holds in the Post Office Department is the result of long labor and efficient service and a degree of sincerity equaled by few men.

Mr. KEEFE. I thank the gentleman. May I say further to the distinguished gentleman that for the first time in my experience at least and for many prior years I am advised, the Postmaster General himself appeared before the committee in support of the justifications for the Post Office Department. May I say that I believe the office of Postmaster General is in very safe and efficient hands in the person of Mr. Frank Walker. He demonstrated before our committee that he has a very unusual grasp of the affairs of the Post Office Department, and I believe that that Department will be most splendidly administered under his direction and leadership as Postmaster General.

Mr. HAINES. I am very pleased to have the gentleman make that statement, because I concur in what he has just stated. I was interested in the gentleman's analysis of the air-mail situation. Can the gentleman tell the Members of the House what the deficit really is in the carrying of air mail?

Mr. KEEFE. I do not think we should look upon the charge or an appropriation that is made for carrying the air mail as a deficit. It is simply a payment made to the air-mail companies pursuant to rates that are fixed by the Civil Aeronautics Authority for the carrying of that mail.

Mr. HAINES. Does the record show what the income for carrying the air mail amounted to in 1940?

Mr. KEEFE. I am frank to say I have not those figures before me at the present time.

Mr. HAINES. It is my understanding that the air mail is practically paying its own way.

Mr. TABER. I think I can explain that and I did when I had the floor. You cannot tell anything about it. They have a set of figures whereby they compute the amount of air-mail postage sold and against that they put the payments to the contractors. They do not take into consideration the incidental cost of handling the mail, they do not take into consideration nor do they have a record of the mail that goes air mail under other kinds of postage. You cannot tell anything about it.

Mr. KEEFE. I think the gentleman is absolutely right. As I observed the hearings, it is very difficult to answer a question of that kind due to the complicated method of keeping the books and records.

Mr. HAINES. May I compliment the gentleman on his fine statement and express my thanks for his courtesy?

Mr. KEEFE. I thank the gentleman.

Mr. O'CONNOR. Will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Montana.

Mr. O'CONNOR. I am mighty happy to hear the complimentary remarks made by the gentleman concerning our Postmaster General, Mr. Frank Walker. I have had the privilege and honor of knowing Frank Walker since he was a young man, as he spent his early manhood in Montana as a lawyer. He is not only a splendid and great citizen, but he is a mighty good lawyer. He went to New York and became a national figure in politics. We, like the gentleman from Wisconsin, are very proud of Mr. Walker. We are also very happy to know that the gentleman from Wisconsin has shown himself big enough to pay a fine compliment to a worthy Democrat and office holder.

I also wish to compliment the gentleman on the very fine things he has said about Mr. Purdum. I have had a great deal of business with Mr. Purdum and have found him to be one of the most capable, honest, and sincere public servants it has ever been my privilege to know.

Mr. KEEFE. I have found in my contacts with these gentlemen in the Department that they are operating a business. The men in the Assistant Postmaster Generals' offices are businessmen and career men. They are managing this agency of the Government. The question of politics, as far as I am advised, does not involve the decisions of these men in directing the affairs of this great business organization. They are entitled to be congratulated upon the efforts they are putting forth to expedite the carrying of the mails and to render to the American people the service the people are paying for.

[Here the gavel fell.]

The Clerk read as follows:

Reimbursement to carriers of deficits during Federal control: For the payment of claims certified to the Secretary of the Treasury by the Interstate Commerce Commission under the provisions of section 204 of the Transportation Act of 1920, as amended by the act of January 7, 1941, covering reimbursement to carriers of deficits incurred during the period of control of railroads by the Government, not to exceed \$600,000 of the unexpended balance of funds made available to the Treasury Department for these

purposes for the fiscal year 1942 in the Second Deficiency Appropriation Act, 1941, is hereby continued available until June 30, 1943.

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Chairman, I rise at this time to call your attention to several items dealing with nondefense expenditures. I have listened attentively to Members of this Committee on both sides of the aisle discuss this Post Office-Treasury appropriation bill. I am satisfied there is no way of cutting down the expenditures in these two important Departments. If we are to cut nondefense expenditures, I am convinced that they cannot be cut in either of these Departments.

However, there is an important job for the House to do. There are many places where cutting of nondefense spending must be done. We must have the courage to act on the advice of Raymond Clapper.

He had this to say in the New York World-Telegram on December 12:

I found in England that after 2 years of war there was still free criticism of the Government. It was regarded as healthy and stimulating and one of the prerogatives of a free country.

American solidarity behind the war does not mean blind, unquestioning resignation to everything that is done. Our unanimity means that we are all participating in the effort. We are sharing the decision, not merely accepting it.

Last night we heard on the radio a speech of Democratic national chairman, Mr. Edward Flynn, in which he made certain unfair charges and accusations. In contrast to Mr. Flynn's statement, I read an editorial appearing last Sunday in the Cleveland Plain Dealer, a Democratic newspaper. We had the privilege of having as our guest in Cleveland last Friday evening Congressman JOSEPH W. MARTIN, chairman of the Republican National Committee and minority floor leader. This Democratic newspaper, the Cleveland Plain Dealer, commented as follows on Mr. MARTIN's speech:

The Republican Party's war program as outlined by the party chairman, Congressman JOSEPH W. MARTIN, Jr., in his Cleveland address is one that will be endorsed by every American who believes that the continuation of our way of life is worth fighting for both on the foreign battlefield and in the home sector.

The Republican Party, says Chairman MARTIN, must support the administration wholeheartedly in every measure designed to prevent a totalitarian victory in the war. But it must also fight to arrest any march toward state socialism in America after the war.

The editorial of the Cleveland Plain Dealer continues:

It is unfortunate that the two fights must go on simultaneously.

This editorial is headlined:

Two wars in one.



The editorial continues:

The task of beating the Axis is enormous enough to occupy all our energies and thoughts, and the realization of ultimate victory is almost certain to be delayed by a second conflict at home between those who believe in individualism and those who would subject us to collectivism. Yet, so long as the party in power at Washington tolerates the presence of the collectivists in the Government service, not a few of them in high office, and so long as the President himself does nothing to discourage them from taking advantage of the war to promote their un-American theories, the second conflict is unavoidable even while the war progresses. For, as Congressman MARTIN asks, "What would it avail to win this war and then lose our Government of, by, and for the people?"

This march toward state socialism would be easy to stop were its organizers operating in the open. The collectivists know this too well. They have learned by experience that outright attacks on the American way of life are no go; that the great majority of citizens will not stand for them.

It should be made clear, as Chairman MARTIN makes it, that the fight against state socialism does not in any way involve the necessary war powers of the Government. Military victory cannot be won by debate, as we have learned in every other war. The executive branch must have the ability to act. American democracy has never yet failed to recover the liberties it has given up temporarily in time of war.

The danger lies, rather, in the effort to use the war as an excuse to promote social revolution.

I point to a measure that is coming before us, the "pork barrel" rivers and harbors bill. This morning the Rivers and Harbors Committee met and inserted a provision sugar-coating this pork-barrel program in a manner such as the Cleveland Plain Dealer describes:

If anyone is unaware of how this march toward state socialism is being promoted, let him begin his education on the subject by reading the series of articles in the New Yorker magazine by Alva Johnston concerning the 3-year court battle in which Thurman Arnold attempted to convict the Aluminum Co. of America on 140 counts for alleged violation of the antitrust laws. Johnston shows that while the Government failed to make a single one of these counts stick in court, Arnold got what he wanted through misleading press releases which created the general impression—an impression since promoted by new dealers in and out of office—that Alcoa was guilty of every charge made against it.

Recalling that the fall of France brought some criticism in Congress of continued New Deal persecution of business and a threat of decreased appropriations for those Government bureaus engaged in this persecution, Johnston continues: "This threat caused some quick thinking. The same threat hung over certain other Government agencies which were considered luxuries of peace times. They all met it the same way; they found they were essential to national defense. Every bureau in Washington did itself over in war paint. When the blast of war blows in the ears of a bureaucrat, he imitates the action of the tiger; he stiffens the sinews, summons up the blood, and fights like mad for more appropriations."

"Arnold discovered that the way to whip Hitler was to attack more American industries. He asked Congress for extra money so that he could sue and sue and sue until Hitler cried uncle."

President Roosevelt is quoted as saying that there are too many unneeded persons in

Washington, and he urges everyone in the Capital to ask himself, "Are you a parasite?" The President's point is well taken. But he himself could help alleviate the crowded condition in Washington by abolishing many of the bureaus and agencies which are not needed to win the war, especially those who continue to promote the war against the American way of life.

They are the true parasites in Washington. So long as they remain, the Nation cannot be united as it should be for the greater effort. So long as they remain, we are in danger of losing the very thing we are fighting for in Asia and Europe and off the coasts of America.

I might comment here that it is important for Members of the House to watch this process in Washington where some of these nondefense bureaus are doing themselves over in war paint and labeling themselves as defense agencies when, in reality, they have no relation to defense, similar to many of the projects contained in the rivers and harbors bill that will be up here for consideration within 2 weeks' time. These projects will be labeled as defense projects, and they have absolutely no relation to defense.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. TABER. I am wondering if the gentleman would consider the appointment of Melvyn Douglas to the O. C. D. to teach civilians to dance a part of the defense program.

Mr. BENDER. The question of the distinguished gentleman requires no answer. You can use your own judgment.

Mr. PLUMLEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I do this for the purpose of saying briefly what I think about certain things that are being done. I think neither the time nor the occasion nor even the situation in which we find ourselves justify a violation of the fundamental law of this land by the Treasury Department of the country. There is no authority in law to be found, so far as I know, which justifies the appointment of 48 State administrators for the sale of defense stamps and bonds at salaries ranging from \$4,600 to \$8,000 per, to say nothing about the organizations necessary to be set up to make the work of these State directors effective. The sad part of it is that the Treasury Department has been compelled, as it has thought, or else there can be no scintilla of justification, to adopt this method and this program by reason of the complacency and the indifference of the American people in this, their time of greatest peril. The American people should hide their heads if the action of the Treasury Department was and is made necessary because of their dereliction of patriotism. I am not so much here this minute to criticize the violation of the law—and it should be criticized—as I am to find fault with the American people who will not wake up to what confronts them.

I do not like this way of doing business. Freedom is not to be measured in dollars. The liberties the people love are lost unless they realize the price they will have to pay. The cost should not be amplified

and magnified by setting up a host of paid solicitors to raise funds to save the people at their expense.

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last three words and ask unanimous consent to revise and extend my remarks in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Chairman, in discussing this huge appropriation of \$8,000,000,000 for the Treasury and Post Office Departments, a number of Members have agreed there should and must be curtailments made in nondefense expenditures. Then it is said it seems to be too difficult to do much about it insofar, at least, as expenditures in the departments are concerned.

I think something can be done about it, if this Congress has the courage to do it. We can reduce these expenses and we can reduce employment in a number of these bureaus and departments, so these employees may be transferred to positions where they are needed in carrying on our war effort.

Mr. Chairman, I suggest the Appropriations Committee, composed of 40 of the leading Members of this House, appoint a subcommittee of its group, to investigate and examine every department of government, not directly connected with those engaged in the war effort, with a view of eliminating, coordinating, and consolidating wherever it is possible to do so. The bureaus and departments will not make an effort to do it. They have not done it in the past to my knowledge.

I feel very sure that if the situation were gone into carefully, at least 10 to 15 percent of our 200,000 employees could be transferred from nonessential jobs to places where their services are needed. We could save the employment of twenty or twenty-five thousand new people who are likewise needed in other places. We could do away with a lot of services that we do not really need right now. For example, every department has its publicity bureau or agency. Part of it is all right and needed. A great deal of it is unnecessary. You could save that labor and save the material. One of our Members estimated a few days ago that about 90,000 tons of paper would be used in Washington in the next year. You know that a great deal of the material, not all of it of course, is never used. I think you could cut out a third of it and hardly miss it. The material and labor on this item costs millions of dollars annually. Some of the printing is pretty extravagantly done. Surely a good part of it is not necessary right now.

Mr. Chairman, after all this committee and this Congress should have hold of the purse strings. The people of this country are being asked to save and to economize. Why not apply a little more of that principle in the management of our Government, and get in line so we can provide more support, more material, more money, and more effort in the prosecution of the war where it is so much needed?

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. Certainly.

Mr. KEEFE. I take it the gentleman is familiar with the fact that such a committee is at work right now and is holding hearings every day. The distinguished gentleman from New York [Mr. TABER] appeared before this committee this morning, and the opportunity is open to any Member of Congress, including the distinguished gentleman from Kansas, to come before that committee and offer suggestions for the reduction of nonessential and nondefense expenditures. The gentleman is a member of the Civil Service Committee, which reported in the civil-service bill. Does the gentleman realize that in this bill there are millions of dollars of additional appropriations required to pay the automatic promotions that are provided for by the bill that passed the Congress, which was brought before the Congress from the gentleman's committee, and that the Committee on Appropriations has no control over the question at all and must make the appropriations in conformity to the substantive law passed by the Congress? The gentleman must realize, I am sure, when he is inferentially critical of the work of the Committee on Appropriations, that that is a matter that must be handled in the gentleman's committee. I suggest to the gentleman if he wants to accomplish reduction in appropriations that he introduce legislation to change the substantive laws that direct and determine the amount of appropriations. The Committee on Appropriations is not organized for that purpose and would be severely criticized by the Members of the House if it attempted to usurp the prerogatives of the legislative committee.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. REES of Kansas. Mr. Chairman, I appreciate the statement of the gentleman from Wisconsin, but let me say first, that I shall be glad to appear before the committee he has in mind. I assume he refers to what is known as the Byrd committee. That committee has been doing a lot of commendable and constructive work. Also, let me say that I did not support all of the provisions in the bill to which the gentleman refers, and that I am one of the few members of that committee who opposed increases in payments to the high-salaried groups. I am also one of the members of that committee who opposed the bill which, among other things, provides for the retirement of Members of this Congress, and who opposed the same kind of legislation when it was considered by this House 2 years ago. If the distinguished gentleman from Wisconsin will lend his support and have the courage to go along with me and help to strike from the legislation passed the other day the provision which gives to Members of Congress the opportunity of retiring under the retirement bill, I shall

appreciate his support, as well as the support of other Members of this body. I agree with the gentleman that we have on many occasions through various committees submitted reports and passed legislation, and that the Committee on Appropriations has felt it should approve in carrying out such legislation, and I do say to him that we have thousands of men and women who are now in the Government service who are performing some service, perhaps worth while, but in my judgment unnecessary in these crucial times.

The thing that I am asking the committee and the Congress to do is to make a careful and systematic study of every department of government, not definitely related to our war effort, and reduce the expenses and the personnel to the very limit. All employees that are qualified can be transferred to the departments where their services are needed. It will save the necessity of employing thousands of new additional employees and will work for a little economy in government.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, it is my privilege to be a member of the Byrd committee, which is trying to find nonessential governmental expenditures which might be eliminated. It does not make any difference whether they are labeled "defense expenditures" or not. If they are not essential, we are trying to find them out and point them out.

We are holding hearings practically all the time. I have run onto quite a lot of things in connection with that and other things. I think some of the worst nonessential rackets that we have bear the fraudulent label of "defense." A little while ago I found out that the engineering and overhead expense for putting up a defense housing unit which cost \$4,200 was \$613, or 14 percent, when a private builder would not think of paying more than 6 percent to an architect, and if he were building mass units of the same kind he would not pay more than 4 percent.

Now, do you tell me we cannot save money on that kind of a set-up?

Then, in connection with the defense outfits, in connection with the Government real-estate operations, you can go into the same community and you can find administering and looking after Government real estate the H. O. L. C. with a separate set-up; the Farm Security Administration with a separate set-up; the United States Housing Authority with a separate set-up; the Federal Works Administration with a separate set-up. I presume quite a lot of other outfits. You cannot tell me that all those things should not be consolidated and that we should not get rid of the unnecessary real-estate agents who are on the Government pay roll.

I think we ought to begin to realize that there must be some coordination of these Government activities so that we can get rid of some of that useless spending of Government money.

Mr. CRAWFORD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. CRAWFORD. In connection with some of these expenditures, on Sunday afternoon I took the time to go out and walk through some of these little homes being built up near the naval testing basin on Conduit Road, where they are putting up scores of these defense-housing units. I find that on those temporary buildings they are using copper pipe for all the plumbing. As scarce as copper is, with our going into South America and doing what we are there to get copper, we still put copper pipe in a little temporary defense-housing unit around Washington, when galvanized pipe would last for 15 years and serve the same purpose.

Mr. TABER. Then the O. C. D. this morning hired a moving-picture star to teach dancing to the civilian population. That is a great accomplishment for defense, is it not? Do you not think that is an item that could be dispensed with and gotten rid of? We must begin to show some interest in protecting the Treasury of the United States. If my boy or your boy is called, he goes into the trenches. What is the matter with these dancers going into the trenches?

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, while we are talking about savings and some of the unnecessary expenses of government, let me recall some of the economics of an earlier day. I live in the country, when I am at home and am proud of the fact that I have always followed what I was taught as a little boy, to save part of what I earned, to put my pennies in the bank. I was taught that if I had a penny I did not know what to do with I should not waste it but should put it in the little bank on the mantelpiece. When you save 100 pennies you have a dollar. This philosophy should have a forceful appeal to Members of Congress, even though today it seems threadbare, outworn, and is so frequently cast to the winds. But we have got to get back to the old days when we counted every penny. We must cut out waste—the greatest item of thrift for our Government today.

I hold in my hand a beautiful pamphlet about 9 by 12 inches in size, luxuriously designed, a work of art, about 70 or 80 pages in length. It is labeled "A Challenge," and is produced and distributed by the Office of Production Management. It is one of the most picturesque and expensive pieces of printing I have seen in a long, long time. It came to my office about 3 weeks ago.

I quote a sentence from it:

Every top executive of a defense plant faces this challenge: Get out production on time with the smallest possible waste and no sacrifice of quality.

Every plant executive certainly knows that and is so doing. Look through this pamphlet, read it, and you will see it is full of material we were taught in primary school years and years ago. It is just a primer, but it is made up for the working executives of the United States. It is beautiful, of fine paper, printed in large type, and only on one side of the paper.



If ever there has been a waste of the American taxpayers' money I think this is it. I feel that those responsible for this booklet ought to be taken off the Government pay roll.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. THOMAS F. FORD. Does the gentleman realize that the officers and executives in O. P. M. are selected from amongst the best executives of the Nation, selected because of their accomplishment and ability? Is the gentleman going to question the judgment of the top flight business executives of the United States?

Mr. RICH. I will say in fairness to Mr. Donald M. Nelson that this publication was put out before he was placed in charge of war production; but if this is an example of the productive ability and capacity of the top flight men in O. P. M., then God save America, from the O. P. M. if we have to depend on them to win this war, for they will never do it in such waste and extravagance as this example of printing.

I challenge any Member of Congress, I care not who he is, to show that this is a wise use of Government funds, that it is an essential expenditure. If it is so held I believe that eventually the people of the country will rue the fact we have men of this character trying to conduct the affairs of Government.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

This is my favorite topic, "expenditures of the Government." I am glad to see the gentleman from Missouri [Mr. COCHRAN] here. I have not bothered him lately, but now I am about to demand that the majority side of this House investigate themselves a little. On war measures, let us vote without talking; the minority will be with you. But I want to say to the gentleman from Missouri [Mr. COCHRAN], who really still acts as chairman of the Committee on Expenditures, that I congratulate him in that he has quietly done some good work—very quietly. He takes matters up with the Comptroller General. But on the floor of the House he must not let his own party feel that he is meddling or trying to investigate any odorous matters. I want to say to him, however, that when the gentleman from Kansas [Mr. WINTER] makes a speech such as he made here the other day, that the Committee on Expenditures better get busy. I have asked for 30 minutes day after tomorrow, as I have a recital to make about the unemployment racket which is getting such headway and which needs to be uncovered and checked. These are not war measures, and there lies a duty on this side of the House to watch appropriations, and because the majority will not investigate their own expenditures.

Mention has been made of Melvyn Douglas and men of similar qualifications regarding their appointments to places in Washington. They are appointed because someone in high authority or sitting in high places whispers, "We want you to appoint this one or that one." We know where the suggestions come from. Those who have the

power of appointment must listen to suggestions from such sources.

In closing, I want to say to the gentleman from Wisconsin [Mr. KEEFE], perhaps we are tied down with laws that have been passed and failed to repeal. The Appropriations Committee must necessarily keep on appropriating. How about the tremendous number of Executive orders setting up agencies which are carried on by blanket appropriations given to the President? Why make them permanent? Let us be watchful as to making them permanent institutions.

You have final control of the purse strings relating to agencies set up by these Executive orders. Why do we not immediately repeal that Silver Act? Why have you an appropriation in this bill to buy silver when the Treasurer of the United States himself wants you to repeal the act? Do you still feel that you have to appropriate money for this purpose? Perhaps you are obliged to appropriate a little. There is little justification for any great appropriation to buy more silver. It is acknowledged to be a foolish proceeding. Often have I spoken in condemnation of that Silver Act. Of course, new Members do not know that. Some of us older ones have complained much about many such foolish things in the past. But every time we criticize anything or anybody, someone on the majority side of the House must necessarily rise and defend. Only the President can force action from this majority. When we demand an investigation of anything, a letter is sent to the department involved, and the reply comes back, "Everything is all right." Then you get up the next day and move that our request be laid on the table. The futility of it all! But let us continue our protests. It is our clear duty.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, my good friend from Massachusetts seems to be unable to realize I am no longer chairman of that committee, but I admit I do take an active interest in it. I have repeatedly told the gentleman from Massachusetts that if he will lay before the committee any evidence which warrants an investigation, I will vote for the investigation. I have told other Members of the House the same thing. A Member on the Democratic side came to me the other day and showed me a resolution and wanted to know if I would support it. It provided for a select committee to investigate a Government agency. I told him, "No; that is a duty of the Committee on Expenditures." I told him further if he would come before the committee and place facts before that committee which warranted an investigation and not a fishing trip, I would vote for the investigation. He never came before the committee. He never wrote the chairman. But he did go to his own committee, the Committee on Agriculture, and caused a subcommittee to be appointed to make the investigation.

Mr. GIFFORD. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. Does the gentleman think there is reason enough for an investigation after the speech of Mr. Winter that was made the other day?

Mr. COCHRAN. I did not read the speech the gentleman refers to, but I will.

Mr. GIFFORD. I may have to take back my compliment that the gentleman is watchful. I am amazed that a speech like that could possibly have escaped the gentleman's or anybody else's attention on that side of the House.

Mr. COCHRAN. We only have 24 hours in a day, and it is impossible to read everything that goes in the Record and still get sleep which is more necessary. I know I cannot do it, especially everything put in the Appendix of the Record. My good friend from Pennsylvania [Mr. RICH] got tired of rising here and calling attention to filling up the CONGRESSIONAL RECORD with matter that does not belong in it. They do not get anywhere. Even though he is a member of the Committee on Printing he never brought out a resolution prohibiting us from putting newspaper articles, and so forth, in the Record.

Mr. RICH. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. If I can get a little bit of help from that side, I will still try it, but until I can get some help there is no possible chance to cut down the Record.

Mr. COCHRAN. I will give the gentleman a little bit. I will vote with him.

Mr. RICH. Let us—you and I—then, stand up here every day and stop a lot of it.

Mr. COCHRAN. I have been stopping enough legislation here. I have too many Members on my back now. Let some of the other Members get up and follow my example of stopping some of these bills. I helped stop a \$40,000,000 bill the other day and it was defeated.

Mr. GIFFORD. The gentleman is very watchful over the Indians, but may I say it was well advertised that the gentleman from Kansas [Mr. WINTER] was to speak, and it was on the calendar for several days. He spoke from the Well of this House and it caused a good deal of foment. It was in regard to a very important matter. I cannot imagine how it escaped the gentleman. He is acting chairman of this committee.

Mr. COCHRAN. I am not acting chairman at all.

Mr. GIFFORD. Oh, yes; you do all the acting.

Mr. COCHRAN. What kind of an actor am I?

Mr. GIFFORD. The gentleman is very effective with little things, but how he does protect his party on the big things. He is one of the most able men we have, and one of the most loyal men in his party. He is a safe chairman for that committee, or, rather, acting chairman.

Mr. COCHRAN. If I were like the gentleman from Massachusetts, especially able to play the piano and sing, I think I would be out in Hollywood instead of here.

Mr. GIFFORD. Does the gentleman mean to convey the thought that playing the piano is something that should be deprecated? Is it something against me?

Mr. COCHRAN. Oh, certainly not; I commend the gentleman.

Mr. GIFFORD. At least I could keep in tune and I could attempt to strike the right keys to tune in with the gentleman when he gets ready to act.

Mr. COCHRAN. The gentleman from Massachusetts and I have been on that committee ever since it was organized. I was chairman of the committee during the last 2 years of the Hoover administration. Despite the demand made upon me by my side of the House when we were in control, I adopted the policy then that before I would be willing to have an investigation somebody would have to lay something on the table. With one exception, during those 2 years, when Mr. Hoover was still in the White House, there never was an investigation of his activities by that committee, because nobody brought facts before the committee that justified an investigation.

Mr. GIFFORD. Did not the gentleman say, "when they laid this thing on the table"? He is the man who lays everything on the table.

Mr. COCHRAN. Only once in a while, when I think I have something in hand to back it up.

[Here the gavel fell.]

The Clerk read as follows:

Recoinage of silver coins: To enable the Secretary of the Treasury to continue the recoinage of worn and uncurrent subsidiary silver coins of the United States now in the Treasury or hereafter received, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coins and the amount the same will produce in new coins, \$350,000.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I call the attention of the Members to a statement of Mr. Graves, of the Treasury Department, appearing on page 279 of the hearings:

Mr. LUDLOW. If I understood Mr. Morgenthau correctly the other night, I think he said that the proceeds from these bonds now topped half a billion dollars per month.

Mr. GRAVES. It was about \$528,000,000 for December.

Mr. LUDLOW. That was the peak so far?

Mr. GRAVES. Yes, sir; that was the peak so far.

Mr. RICH. If you take the statement of January 1, you will be in the red about \$7,500,000,000—

I assume the gentleman from Pennsylvania [Mr. RICH] meant the deficit from July 1 down to that date.

Mr. RICH. That is right.

Mr. CRAWFORD. The gentleman from Pennsylvania [Mr. RICH] continued:

How will you finance the Government from now until June 30?

Mr. GRAVES. In the open market.

Mr. RICH. Through banks?

Mr. GRAVES. To the extent necessary to supplement revenues and the borrowings through Defense Savings bonds, we will go to the banks for it.

Mr. Chairman, I think the record will show that about January 29, 1941, when the Secretary of the Treasury appeared before the Committee on Ways and Means requesting an increase in the debt limit on interest-bearing debts from approximately \$49,000,000,000 to \$65,000,-

000,000, the Treasury at that time asked for permission to issue certain types of defense bonds to the end that it would be unnecessary to go to the commercial banks for the purpose of finding a home for the new issues that were to be put out by the Treasury. I think you will find his testimony that day was to the effect that we should not place in the commercial banks any additional Defense bonds. I believe the record will also show that from time to time since that date the Secretary of the Treasury and the Board of Governors of the Federal Reserve System have repeatedly pointed out the dangers of our further placing in the portfolios of the commercial banks the new securities we must issue from time to time in order to finance the war operations.

Mr. Chairman, it seems to me that the Congress of the United States, the Secretary of the Treasury and his entire personnel, and the Board of Governors of the Federal Reserve System, are falling down in their duties in not pointing out to the people of this country the tremendous inflationary forces we are developing in this country through our failure to buy more of these Defense bonds and to pay more taxes, thereby making it unnecessary for the Secretary of the Treasury to sell the new issues to the commercial banks. It seems to me that during the next 18 to 24 months the Treasury will have to issue approximately \$90,000,000,000 of new securities in order to finance the war program, based upon the present concept of war operations.

As the indicator now points, we may have to place between \$30,000,000,000 and \$45,000,000,000 of these new issues, or, roughly, 50 percent, in the portfolios of the commercial banks, expanding demand deposits accordingly, thereby adding fuel to the fires of inflation which inflation the Price-Control Act is supposed to prevent.

I am surprised to see this direct admission on the part of Mr. Graves of the Treasury Department now boldly made to the effect that the Treasury intends to sell to the commercial banks, or, let us say, to the 12 Federal Reserve banks, and the members of the Federal Reserve Banking System which are primarily commercial banks, whatever is necessary to sell over and above what is contributed in the form of taxes and, what I believe to be the measly amount of defense bonds purchased, since the \$528,000,000 sold in December seems to be the peak we have reached in any one month. Considering the obligations we have assumed and the dangers we have invited, this monthly quantity purchased is to me, a contemptible small performance.

With the most staggering financing program ever faced by any Federal Treasury unusual developments will occur in the near future. This is February 3. The Congress is authorizing appropriations in single bills running as high as \$25,000,000,000. The Government will spend in the immediate months \$90,000,000,000 to \$100,000,000,000 to apply on cost of war. Wage and salary pay rolls are running about \$12,000,000,000 higher than a year ago. No definite tax proposal has yet been presented to Congress. A vast army of

high-priced market men is being brought together for purpose of inducing people to purchase defense bonds—but, public is not responding to this call in proportion to the need. The Treasury has, from time to time, spoken relative to a withholding tax applied in such a way as to absorb more or less of the earnings of industrial workers benefiting through wage and salary increases as a result of Government spending. But, this is an election year and such a tax approach is not palatable to the politicians. Accordingly, there is great hesitancy on the tax approach. At the same time the public occupies a difficult position in attempting to allocate a certain percentage of individual annual incomes to the purchase of defense bonds before knowing what the individual Federal tax liability is likely to be. We hear rumors of a withholding tax, a pay-roll tax, higher excess-profits taxes, less normal taxes, higher surtaxes, and a sales tax; and, about enforced savings to be invested in war bonds, together with taxes in the form of deferred wages to be paid in the post-war period, and a deferred rehabilitation reserve fund to be used in the post-war period and built up through forcing corporations to make the necessary contributions at the present time. Mr. Roosevelt's plans for the expenditure of one-half the annual income per annum on the war effort will, it is reasonable to assume, strain the Nation's industrial capacity to the utmost. Even if taxes are increased sharply the expenditures as now planned will rise more rapidly. We can safely assume that the maximum tax burden applied will provide no more than one-half of the total of Government outlay. So, it appears the Government must soon borrow from someone no less than \$2,000,000,000 monthly.

Excess reserves are declining; heavy withdrawals from the banks of currency continue; and this will contribute to further decline in the excess reserves. The direct interest-bearing debt of the Government is to be doubled. Beginning July 1, 1942, it appears the Treasury will have to dispose of approximately \$3,000,000,000 of securities monthly. Now, if the social-security contributions accommodate, let us say, three and one-half billion dollars per annum; and, let us say, sales of defense bonds reach \$12,000,000,000—who is to buy the remaining \$20,500,000,000? Apparently these will have to be sold to insurance companies and other corporate investors, including commercial banks and perhaps the Federal Reserve banks. Altogether we face a considerable problem. Under such circumstances, what real value can be attached to observations made by the Secretary of the Treasury with reference to the likelihood of no action being taken to tax now partially tax-exempt Government securities? The war will have to be financed, and bankers and others so directly interested should, as far as possible, comprehend the entire problem and draw their own conclusions as to what steps will be taken to meet the emergency when it arises.

If you will permit me to express a personal view, it is to this effect: This is an election year. Congress will be reluctant



to proceed too aggressively against the voters, and so will the entire administration. There is less political liability in taxing corporations as against individuals. There is less political liability in taxing State and municipal issues as against industrial pay rollees. There is less opposition to having the Federal Reserve System purchase obligations direct from the Treasury than in forcing citizens to purchase defense bonds. Finally, who, in terms of numbers, will oppose the taxing of presently partially tax-exempt Government bonds when the individuals must necessarily be burdened with brutal taxes? I say, Mr. Chairman, we can better afford to purchase a much greater amount of defense bonds and pay far greater taxes than to cram additional billions of dollars' worth of war bonds into the portfolios of the commercial banks and take the consequences hereafter.

Mr. LANHAM. Mr. Chairman, I rise in opposition to the pro forma amendment. I do this, Mr. Chairman, for the purpose of getting some information with reference to a matter concerning which I have spoken several times on this floor in years gone by.

In every appropriation bill that comes to us and in many other bills we see provision for rather large sums for printing and binding. Judging by even the limited amount of the output of printing and binding that comes across the desk of a Member of Congress, it seems to me there is an opportunity for quite a bit of reduction in our nondefense spending by looking more carefully into unnecessary printing and binding, also in avoiding duplication in what is made available through the printing press.

May I inquire, if the figures are available, how much the Government is spending on an annual basis in the various departments and agencies for printing and binding? I do not know whether any member of the Committee on Appropriations can give this information, but I think it is something we might well look into. I believe a great deal of this printing and binding can very easily be eliminated without any detriment to the service or to the promotion of our national defense.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Pennsylvania.

Mr. RICH. Every appropriation bill that comes before the House has in it an item for printing and binding. Every department of the Government is after all the money it can get for that particular purpose. There is a continuous fight in the Appropriations Committee to keep these amounts down. I do not know how you are going to keep them down unless you change a lot of laws and compel the Secretary to limit to the very minimum the amount you are going to grant them each year for printing and binding.

Mr. LANHAM. Attention has been called on this floor many times, by various Members, to useless publications that involve expense to the taxpayers of this Nation, and I think the Appropriations Committee, if they are not able to give us the figures now, should make a com-

putation of the annual sum we are putting into printing and binding and see if we cannot do a little nondefense saving along that line. The mere fact that the figures are not available as to how much we are spending annually in this respect indicates it is worthy of inquiry.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Tennessee.

Mr. GORE. I cannot tell the gentleman how much is being spent for this purpose, but I did notice in the paper that the largest item of freight out of the city of Washington was wastepaper.

Mr. LANHAM. I fancy the sum we expend annually is rather a staggering one.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from New York.

Mr. TABER. The gentleman will find that the direct appropriations for this particular purpose would run easily to \$50,000,000, but the indirect appropriations would be way beyond that amount, being items which you could not cover. You will find a very large percentage of this propaganda that goes out is mimeographed or printed on Government-operated presses in the Departments, with some kind of multigraph machine or something of that sort, and it is absolutely impossible to trace the cost of those operations or the employees who operate them.

Mr. LANHAM. It seems to me the expenditure of a very small sum of money in an investigation of this matter, if the expenditures in the aggregate are so large, would certainly result in quite a saving in eliminating duplication and avoiding unnecessary printing and binding.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Not only should we save the money and reduce expenditures, but paper has become a strategic material, and we are going to have an enormous paper shortage in this country. This material is just being wasted by the carloads.

Mr. LANHAM. And, furthermore, we might find that some are employed in such printing who are not necessary and their removal would reduce the housing shortage in the District.

[Here the gavel fell.]

Mr. MAHON. Mr. Chairman, I move to strike out the last three words.

I think there is a great deal of merit in what the gentleman from Texas [Mr. LANHAM] has had to say regarding Government waste in printing and binding, but I think it should be pointed out that if we should completely eliminate Government expenditures for printing and binding we would not be able to make appreciable cuts in the appropriations which are made. It is my impression that the total amount of Government money spent annually for printing and binding in all the Government agencies does not exceed \$15,000,000. So, after all, while it is a vitally important factor,

it is not one of the major expenditures of the Government.

Now, in regard to this particular bill which carries an appropriation for the Bureau of Internal Revenue, we must remember that millions of additional forms are being required at this time on account of the change in our revenue laws, and it might be well to point out that in the Bureau of Printing and Engraving, which is carried in this bill, innumerable bonds and other Government securities are being printed at this time, all of which are required. The committee has done what it could to seek to eliminate useless printing and binding, and I am compelled to say that a lot of it is useless, and I would like to join with the gentleman in doing everything possible along the line suggested by the gentleman.

Mr. LANHAM. I thank my colleague. I may say that I was not directing my criticism to any particular item in this bill. I know there are agencies of the Government that necessarily require a great deal of printing, but there are a great many publications that come across our desks that are absolutely useless and futile, and we do not see half of them, I am sure.

Mr. MAHON. Yes, I am sure that is correct, but I doubt if printing and binding is more important to any agency than the Post Office and the Treasury Department, and probably there would be a greater likelihood of cutting that figure in other departments. I think we ought to make every effort to cut wherever we can. The gentleman from Texas [Mr. LANHAM] has previously pointed out the wasteful practices of the Government in printing and binding and he is to be commended for again raising this important subject.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a week or two ago I had occasion to make some observations on the expenditure for printing and binding. The matter came to my attention because I had been observing in the newspapers that the school children of Washington and other localities in the country and the Boy Scouts have been collecting waste paper to supplement a school fund out of which they might stage an entertainment, or buy a flag, or add a few books to their library. From their frugality and diligence we might well take a lesson. It was stimulating enough, at least, for me to assemble some figures, and I discovered, after getting some figures—and I direct this particularly to my friend from Texas—that the use of paper for the calendar year 1941 will probably exceed 203,000,000 pounds. This includes the overrun, it includes the purchases of the Government Printing Office, and the cut sheets that are used for multigraphing and mimeographing, and other purposes, in the executive agencies of the Government. That means that there will flow between the departments and out of Washington 100,000 tons of paper in the course of a single fiscal year. When you talk about paper being a critical material, indeed we may, as charity, begin at home, and clean our own skirts a little bit in the matter of wasting paper. Obviously there are forms, statements, reports that

are absolutely necessary in the functioning of agencies of government, but I doubt very much whether all these ornamental, highly colored publications and reports and specialties and novelties on gloss paper and otherwise are entirely justified.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. MAHON. I wonder if the gentleman has any information as to the proportion of this paper going out of Washington, on Government business of one kind and another, and how that amount compares with other cities in sending out vast volumes of printed material, like catalogs, newspapers, and so forth.

Mr. DIRKSEN. I have no comparative figures, but the 203,000,000 pounds I refer to are the purchases of Government paper, and that means over 100,000 tons. Surely somewhere along the line we ought to be able to economize. Two or 3 years ago I discovered a little item in the report of the Government Printer, that the last copy of the CONGRESSIONAL RECORD 3 years ago, after the session had come to a conclusion, required 38 tons of paper. Surely in our extensions of remarks we might be a little more circumspect, and see that everything is not put into the CONGRESSIONAL RECORD, and in similar fashion, the agencies of Government that are promiscuously sending out circulars, brochures, pamphlets, dodgers, and everything else could suppress some of that information and space it so that there would be a generous saving of paper.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. KEEFE. The gentleman, as other Members of Congress, has recently been furnished 400 copies of the agricultural yearbook, weighing approximately 5 pounds per book, meaning that each Member of Congress gets a ton of paper, to say nothing of the printing and the high-grade paper at that, to distribute promiscuously about the respective districts. Does the gentleman not think that in the interest of economy, with this Nation now at war, we could dispense with the future publication of that big book, at least for the duration?

Mr. DIRKSEN. Certainly there are some things with which we could dispense for the time being. I went to the trouble in the consideration of the independent offices appropriation bill to total the discoverable printing and paper items, and as I remember it now, it was in excess of \$1,100,000, and for the Department of Agriculture it will run well over \$1,000,000 in a single year. That may give some basis for an estimate of what the expenditure is in the purchase of paper, and that does not include the employees and specialists who decorate that paper with the English language to make it palatable.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. DONDERO. Following up the suggestion of the gentleman from Wisconsin and the gentleman from Illinois, I doubt that any Member of this House

can or should read more than 10 percent of the Government publications that come across his desk.

Mr. DIRKSEN. No. I think it develops a bad reading habit. We become what in literary parlance is known as skimmers. How can you do otherwise, unless you chuck everything into the wastebasket? Otherwise you must skim the headlines so that you may not miss something that is worth while before throwing it into the wastebasket.

Mr. COFFEE of Washington. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. COFFEE of Washington. Did I understand the gentleman to say that the amount of paper purchased amounted to 203,000,000 pounds?

Mr. DIRKSEN. Two hundred and three million pounds is the estimate for the current year.

Mr. COFFEE of Washington. I think the gentleman's arithmetical computation is wrong if he thinks that will amount to 100,000 tons.

Mr. DIRKSEN. The computation is correct. It is more than 100,000 tons. At least 203,000,000 pounds of paper, and that figure I got from Mr. Wold, who is an authority.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

#### CREATED MONEY TO PAY COST OF WAR

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Michigan [Mr. CRAWFORD] brought to our attention a very interesting question, that is, the extent that the Government expects to go in this emergency in having the private commercial banks create money for the purpose of paying the cost of the war.

#### BANKS CREATE MONEY

No informed person can dispute the fact that commercial banks, that accept deposits, when they buy Government bonds, create out of thin air the money with which to buy those bonds. No informed person will dispute that fact. Everyone who has ever studied the question admits it and acknowledges it.

#### IF MONEY TO BE CREATED, GOVERNMENT SHOULD CREATE IT WITHOUT INTEREST

So the point is, if money is to be created for the purpose of paying the cost of this war, should the people and the taxpayers and the Government pay private commercial banks to create the Government's own money, when that privilege is exclusively the Government's under the Constitution of the United States, and the duty rests upon the Congress to see that it is complied with?

#### BILL PROPOSED TO STOP SOME INTEREST PAYMENTS

May I humbly invite your attention to a discussion of that subject which is in the RECORD of February 2, 1942, which came out this morning, on page A324. It contains a discussion of a bill which I introduced some time ago providing for the Federal Reserve banks to advance the money on Government non-interest-bearing bonds for the purpose of paying the cost of this war. Every person who has given this question thought, I believe, will say that this national debt, at the end of the emergency, if it con-

tinues as long as we expect it to continue, will certainly be around \$150,000,000,000, including our present debt, if not more than that. If we pay 4 percent interest on that enormous debt, as many prominent people in official positions are advocating today, that means \$6,000,000,000 a year interest, and it will be impossible for the people to pay that much interest and the running expenses of this Government; which will mean that the people of this Nation will be in perpetual bondage or there will be repudiation of the national debt.

#### MAKE PAYMENTS ON PRINCIPAL OF BONDS INSTEAD OF ON THE INTEREST

Now, there is a way to escape that situation, and an orthodox way to escape it, by paying a certain amount each year on the principal of the bonds, instead of paying it as interest. The proposal that has been brought forward is that if the Government needs a billion dollars in money, the Government, through the Secretary of the Treasury, issues a billion dollars of non-interest-bearing notes, and distributes those notes among the 12 Federal Reserve banks in proportion of their resources, of course, and receives credit for the United States Treasury to the amount of \$1,000,000,000. Then every year instead of paying 4-percent or 3-percent interest, as we are doing today, pay 3 percent on the face of the bonds, on the principal. In that way you will reduce the bonds every year, and the inflation becomes less severe, every year less inflationary, and in 33½ years the entire public debt will be liquidated. If you do not do that and pay 3-percent interest—and we will never be able to pay more than just the interest—at the end of 33½ years we will still owe the billion dollars, just like at the end of 33½ years we will still owe the \$150,000,000,000—perpetual bondage for the people.

#### USE GOVERNMENT CREDIT INSTEAD OF FARMING IT OUT TO BANKS FREE

In order to do what I suggest you will use the credit of the Nation instead of farming it out absolutely free to the private commercial banks of this country. If you desire to use the \$23,000,000,000 in gold that we have that is now idle and unused as backing for those bonds, you can do that.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. PATMAN. May I suggest to you that if the Government issues non-interest-bearing bonds and places them with the Federal Reserve banks, as has been suggested, the backing behind those bonds will be exactly the same as if the Government had issued a billion dollars of 3-percent bonds and placed them with the 12 Federal Reserve banks.

If there is any person within the sound of my voice who can say that the security will be less, I will yield to him now for that purpose. But no one can say it. There is exactly the same security behind each.

So why should this Congress sit idly by and place our people in perpetual bond-



age just because some person might say that the best way to get money is to have it created by the commercial banks and pay them an interest rate for its creation?

#### PEOPLE WILL EVENTUALLY BLAME US

May I suggest to you that the people of this country one of these days will blame you. They will blame me. They will blame the entire Congress and the administration for sitting idly by and letting these 50-year bonds, providing for 2 and 3 percent interest and more be issued and sold to the American people.

I am in favor of selling defense bonds to individuals and corporations that do not create the money with which to buy them. I favor that very much, because it has a tendency to retard or cut down or stop inflation. But I am very much opposed to the sale of interest-bearing bonds to money-creating corporations. To date the commercial banks have done an excellent job. I am not trying to destroy commercial banks. They are very necessary and highly desirable institutions. The stockholders of all the banks in the Nation have invested \$8,000,000,000 only. That is all they would lose if every bank were to close its doors. Upon that investment they have already loaned the Government \$21,000,000,000, upon which they are receiving interest annually. In addition to that, they have made loans and investments aggregating about \$10 to every \$1 that they have.

I am not objecting to that, let them do it, it is in the interest of the country, especially certain sections of the country, at times to have a bank expansion; but why permit them to lend 20-to-1, or 30-to-1, or 40-to-1, or 50-to-1 when the loan is made upon the credit of this Nation? I express the hope that this Congress will stop the use of our Government's credit free and the forcing of this Government to pay an annual tribute of billions of dollars upon this war debt and place our people in perpetual bondage.

Mr. RICH. Mr. Chairman, I rise in opposition to the amendment.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. LUDLOW. Mr. Chairman, we have a long bill to complete this afternoon, and progress thus far has been discouragingly slow. We have been very liberal in debate, much of which has not pertained to the bill. I wonder if we could make a little more rapid progress from now on? I do not want to shut anyone off, I do not want to object, but I would appreciate a little cooperation in trying to expedite matters.

Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. RICH. Mr. Chairman, the matter of printing cost which was touched on a short while ago is very important, something that costs us a great many millions of dollars. During my membership on the Committee on Printing I have been zealous in trying to do a good job, trying to cut down on the amount of printing

and trying to save money on this item. My purpose in rising at this time is to call the attention of the Members to how each one of these bills carries items for printing for the various departments. Take the pending bill: On page 5 you will see an item of printing and binding for the Secretary, \$26,600. On page 7 is an item of printing and binding for the Bureau of Accounts, \$28,000, and another item on the same page for printing and binding for the Division of Disbursement, \$53,900.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield at that point?

Mr. RICH. I should like to complete this statement first, then I will yield; I shall have plenty of time.

On page 10 is an item for printing and binding for the Bureau of the Public Debt, \$12,000. On page 11, printing and binding for the Office of the Treasurer, \$22,000. On page 14, printing and binding for the Bureau of Customs, \$61,000. Page 14, printing and binding for the Office of the Comptroller of the Currency, \$25,000. Page 21, printing and binding for the Bureau of Narcotics, \$5,000. Page 23, printing and binding for the Bureau of Printing and Engraving, \$5,500. Page 23, printing and binding for the Secret Service Division, \$4,000. Page 25, printing and binding for the Bureau of the Mint, \$6,300. Page 31, printing and binding for the Procurement Division, \$161,500. Page 33, printing and binding for the Post Office Department, \$1,080,000.

This totals over \$1,500,000. This is but one of the annual appropriation bills. You will find in all the appropriation bills items asking large amounts for printing and binding. The Appropriations Committee are at the mercy of these departments, because they just hound and hound us; and nobody tries to cut them down more than the gentleman from Kentucky [Mr. O'NEAL]. He is always trying to cut these items down. But we want to impress upon you the fact that the Appropriations Committee is bound by the laws you pass building up these various bureaus and departments which need printing and binding in order to function.

Mr. Chairman, I now yield to the gentleman from Kentucky.

Mr. O'NEAL. I just wanted to say that I have always been sympathetic with the efforts of the gentleman from Pennsylvania [Mr. RICH] toward economy. At the same time, however, we want to be just with reference to the bureaus, and there is more than appears on the surface in these items. The printing here provided for is not for the dissemination of propaganda but for necessary printing to enable the departments to function, the printing of the necessary forms for the work of the bureaus. Take, for instance, the Bureau of Internal Revenue and consider the tremendous amount used to pay for the forms they send out in the collection of taxes—forms which you get and every other citizen gets. The Bureau is constantly working to reduce the cost of this printing. Then there is the Bureau of Customs, the Bureau of Accounts. All of them without exception use this printing item for the pro-

curement of necessary forms and other matter that must go out to their offices and to the public. As to propaganda, yes, let us stop it; but in order to be fair to the bureaus, let us know how much of this is really necessary for forms without which they could not carry on the business of the bureau.

Mr. RICH. I thank the gentleman from Kentucky. He is right. As I said before, he is most zealous in his effort to cut down unnecessary expenses; but there are still certain cuts that could be made in these printing and binding items that would make a saving.

[Here the gavel fell.]

The Clerk read as follows:

Printing and binding: For printing and binding for the Office of the Comptroller of the Currency, \$25,000.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Last night we listened to Eddie Flynn on the radio. There must have been something the matter with him for he wants to deny the right of free speech, of a free press, to the Republicans. The gentleman from Minnesota [Mr. Knutson] spoke today, and if I understood him correctly he made the statement that he thought Flynn must have gone to a cocktail party and was one of the first to get there. If my ears did not deceive me, down went the Speaker's gavel, although I do not know how the Speaker got the floor, and the Speaker made the remark that Mr. Flynn does not drink. Now, that is all right. Nobody cares whether he does or he does not drink, but if he had not been drinking, and I assume he had not been, something must have been wrong with his head from some other cause, because in this land where we have the four freedoms the head of the National Democratic Organization should not get up and because the Republican Party has hired a publicity man state that the Republican Party is more interested in the preservation of the party than it is in winning the war. Surely there is something wrong with a man who makes such a statement.

[Here the gavel fell.]

The Clerk read as follows:

#### BUREAU OF INTERNAL REVENUE

Salaries and expenses: For salaries and expenses in connection with the assessment and collection of internal-revenue taxes and the administration of the internal-revenue laws, including the administration of such provisions of other laws as are authorized by or pursuant to law to be administered by or under the direction of the Commissioner of Internal Revenue, including one stamp agent (to be reimbursed by the stamp manufacturers) and the employment of experts; the securing of evidence of violations of the acts, the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; transfer of household goods and effects as provided by act of October 10, 1940 (Public No. 839), and regulations promulgated thereunder; telegraph and telephone service, postage, freight, express, necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and other necessary miscellaneous expenses, including stenographic reporting services; for the acquisition

of property under the provisions of title III of the Liquor Law Repeal and Enforcement Act, approved August 27, 1935 (49 Stat. 872-881), and the operation, maintenance, and repair of property acquired under such title III; for the purchase (not to exceed \$2), exchange, hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary, for official use of the Alcohol Tax and Intelligence Units in field work; printing and binding (not to exceed \$931,850); and the procurement of such supplies, stationery (not to exceed \$468,000), equipment, furniture, mechanical devices, laboratory supplies, periodicals and newspapers for the Alcohol Tax Unit, ammunition, lawbooks and books of reference, and such other articles as may be necessary, \$80,908,940, of which amount not to exceed \$10,834,002 may be expended for personal services in the District of Columbia: *Provided*, That not more than \$100,000 of the total amount appropriated herein may be expended by the Commissioner of Internal Revenue for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, including payments for information and detection of such violation.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 16, line 6, after "necessary", strike out "\$80,908,940" and insert "\$79,408,940."

Mr. TABER. Mr. Chairman, I have offered this amendment to reduce the increase in the appropriation for the Bureau of Internal Revenue by \$1,500,000. The increase in this bill over last year's appropriation is \$8,579,865.

My experience with this Bureau is that their appropriation has gone up better than 50 percent in the last few years. My experience is that they have taken in employees faster than they have been able to train them so they can be efficient. If we give them as much money as we do, and do not put the brakes on, we shall have an octopus instead of a service organization. I am hopeful that we may reduce this appropriation a little and see if we cannot keep them from putting on so many persons that they are not able to keep them in order and keep them trained properly.

I am painfully aware of the necessity of trying to do something to keep the different Government departments from expanding so rapidly in these times. They come in with a story of what they have had and with a great big story of what they are going to have to do, and they get increases where they put on the pressure like that which are altogether beyond what is necessary.

The reduction I propose is so small in proportion to the amount of the increase, less than 20 percent of the proposed increase, that it will not be as effectual as I should like it to be, but it will be an invitation to them to see that they do not take on so many untrained and useless employees.

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think all of us who were privileged to hear the testimony before our subcommittee were greatly impressed by the enormous load that is now placed on the Bureau of Internal Revenue and that will be on the Bureau of Internal Revenue under the new tax

law. Further, this burden will be further augmented by prospective tax legislation, which is certain to be enacted soon. I think we were convinced that the appropriation we have allowed will be very inadequate in the last analysis to cover all the necessary expenditure.

I call attention to the fact that the tax law of 1941, which is just becoming effective and which is expected to bring \$3,500,000,000 annually into the Treasury, will increase by 6,108,000 the number of income-tax returns and will bring 5,500,000 more taxpayers into the picture—persons who never before have paid taxes.

The load on the Bureau is enormous, and it is increasing. As I said before, the amount we have allowed will in all probability be far short of meeting the actual requirements for the fiscal year 1943, in view of the prospect that there is other tax legislation in the offing. I think it would be a great mistake to reduce the amount we have allowed, because I believe every dollar of it will be needed. I hope and trust the amendment will not be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 33, noes 34.

So the amendment was rejected.

The Clerk read as follows:

Printing and binding: For printing and binding for the Procurement Division, including printed forms and miscellaneous items for general use of the Treasury Department, the cost of transportation to field offices of printed and bound material and the cost of necessary packing boxes and packing materials, \$161,500, together with not to exceed \$4,000 to be transferred from the general supply fund, Treasury Department.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 31, after line 10, add a new section, as follows:

"Sec. 2. No part of any money appropriated in this title shall be used to pay the compensation or expenses of any officer or employee who engages in, or directs or authorizes any other officer or employee to engage in, the carrying out of section 3 of the act approved June 19, 1934, known as the Silver Purchase Act of 1934."

Mr. LUDLOW. Mr. Chairman, I reserve a point of order against the amendment.

Mr. DIRKSEN. I can assure my good friend from Indiana that the amendment is in order, but it is quite all right for him to reserve the point.

Mr. Chairman, this probably represents my sixth attempt in as many years to nullify if possible the program under the Silver Purchase Act of 1934. I find real gratification in the fact that today I stand in the corner not only of the Secretary of the Treasury but of the 200 leading economists of the United States, who have referred to the Silver Purchase Act of 1934 as the greatest folly of the last generation. In that advised opinion I entirely concur.

We have been at it for 7 years. The Secretary of the Treasury has no option in the matter. By virtue of that statute

he is under a mandate, directed by the Congress, to continue to purchase silver bullion until either the price goes to \$1.29 an ounce or until the ratio of silver to gold in our monetary system is as 1 to 3.

We have been buying silver for 7 years. We have purchased thus far 2,477,000,000 ounces. Think of it, nearly 2,500,000,000 ounces of silver. For that silver we paid one and one-third billion dollars.

We are still 9 percent from the goal. The ratio shall be as 25 to 75 percent. Notwithstanding all these purchases, the Secretary's own testimony in these hearings shows that we have only 16 percent of silver in relation to the gold. The reason we are like that bird in Africa that walks backward, and the longer it walks the farther it gets from its goal, is that the gold-purchase program continues, so that as we continue to purchase gold we get further away from the goal of 25 percent of silver.

We have 18½ ounces of silver for every man, woman, and child in the United States. Someone should introduce a bill to cast all of this silver in the form of fine, initialed teaspoons and deliver to every man, woman, and child in the United States four dozen teaspoons. This would be no more stupid than what we are doing today. That is why the Secretary of the Treasury, on page 404 of these hearings, stated:

So far as I am concerned, I will be glad to see Congress strike all the silver legislation from the books.

We have subsidized a handful of silver producers to the extent of \$600,000,000, and to show you how dangerous this thing is, the number of silver certificates in our currency system has increased from \$401,000,000 in 1934 to \$1,713,000,000 in 1941.

With the Treasury against it, with every thinking economist in the field of finance against it, we still persist in this folly. There is only one way to get action on it, and that is a delimiting amendment that will stop those who are engaged in this business down in the Treasury Department from getting any pay if they undertake to buy or direct the purchase of silver under section 3 of the Silver Purchase Act of 1934.

Are we going to continue with the greatest folly of the generation which is inflating the currency and piling up a huge hoard of worthless silver which will contain many a headache, not only in the near future but when the post-war readjustment comes? Every man in this Congress today should stand up and vote to nullify what the Secretary of the Treasury says ought to be stricken from the books. His language at page 404 is, "I would be glad to see Congress strike it from the books." Let us enhance and augment the gladness of the man who conducts the finances of the country today. Let us stand up as a Congress and nullify this specious and fallacious piece of legislation. Had the one and one-third billion dollars which we have invested in useless silver been invested in copper, which is so badly needed today in our defense and war preparations, it would have purchased 4,000,000 tons of such copper. While that is today a futile wish, we at least need not persist in this



folly, and the amendment should be adopted.

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment.

I have read the amendment, Mr. Chairman, and I am convinced it is not subject to a point of order, and I therefore withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. LUDLOW. Mr. Chairman, I simply want to say that personally I have a great deal of sympathy with the objective which my friend the gentleman from Illinois [Mr. DIRKSEN] seeks to accomplish. I think the Silver Purchase Act is an indefensible subsidy. If he would introduce a bill and let it take the regular legislative course, I would talk turkey with him on it because I really have strong convictions on the same side that the gentleman is on with respect to this proposition, but this is altogether an improper way of getting at the matter. This is a question that involves a great national policy, and it is contrary to good practice to undertake to nullify an existing law of such vast importance by a provision in an appropriation bill. It would set a bad precedent that might come home to haunt us many times.

I ask the Committee to vote down the amendment and at the same time I suggest to the gentleman from Illinois, for whom I have the warmest admiration, that he approach his objective in a different way and in the right direction, by submitting the matter to the appropriate legislative committee so that it may take the regular course as it should and secure the sanction of a legislative committee after hearings and after due consideration of the entire matter. I think this is the right course to pursue and I hope the Committee will adopt this attitude and vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and on a division (demanded by Mr. Ludlow) there were—ayes 38, noes 34.

Mr. LUDLOW. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. Ludlow and Mr. DIRKSEN.

The Committee again divided; and the tellers reported that there were—ayes 53, noes 55.

So the amendment was rejected.

The Clerk read as follows:

Post office stationery, equipment, and supplies: For stationery for the Postal Service, including the money-order and registry system; and also for the purchase of supplies for the Postal Savings System, including rubber stamps, canceling devices, certificates, envelopes, and stamps for use in evidencing deposits, and free penalty envelopes; and for the reimbursement of the Secretary of the Treasury for expenses incident to the preparation, issue, and registration of the bonds authorized by the act of June 25, 1910 (39 U. S. C. 760); for miscellaneous equipment and supplies, including the purchase and repair of furniture, package boxes, posts, trucks, baskets, satchels, straps, letter-box paint, baling machines, perforating machines, stamp vending and postage meter devices, duplicating machines, printing presses, directories, cleaning supplies, and the manufacture, repair, and

exchange of equipment, the erection and painting of letter-box equipment, and for the purchase and repair of presses and dies for use in the manufacture of letter boxes; for postmarking, rating, money-order stamps, and electrotype plates and repairs to same; metal, rubber, and combination type, dates and figures, type holders, ink pads for canceling and stamping purposes, and for the purchase, exchange, and repair of typewriting machines, envelope-opening machines, and computing machines, numbering machines, time recorders, letter balances, scales (exclusive of dormant or built-in platform scales in Federal buildings), test weights, and miscellaneous articles purchased and furnished directly to the Postal Service, including complete equipment and furniture for post offices in leased and rented quarters; for the purchase (including exchange), repair, and replacement of arms and miscellaneous items necessary for the protection of the mails; for miscellaneous expenses in the preparation and publication of post-route maps and rural-delivery maps or blueprints, including tracing for photolithographic reproduction; for other expenditures necessary and incidental to post offices of the first, second, and third classes, and offices of the fourth class having or to have rural-delivery service, and for letter boxes; for the purchase of atlases and geographical and technical works not to exceed \$1,500; for wrapping twine and tying devices (not more than three-fourths of the funds herein appropriated for the purchase of twine shall be expended in the purchase of twine manufactured from materials or commodities produced outside the United States; for expenses incident to the shipment of supplies, including hardware, boxing, packing, and not exceeding \$63,800 for the pay of employees in connection therewith in the District of Columbia; for rental, purchase, exchange, and repair of canceling machines and motors, mechanical mail-handling apparatus, accident prevention, and other labor-saving devices, including cost of power in rented buildings and miscellaneous expenses of installation and operation of same, including not to exceed \$35,000 for salaries of 13 traveling mechanics, and for traveling expenses, \$3,700,000: *Provided*, That the Postmaster General may authorize the sale to the public of post-route maps and rural delivery maps or blueprints at the cost of printing and 10 percent thereof added.

Mr. CLASON. Mr. Chairman, I move to strike out the last word, to ask a question in regard to an item on page 44, as follows:

for wrapping twine and tying devices (not more than three-fourths of the funds herein appropriated for the purchase of twine shall be expended in the purchase of twine manufactured from materials or commodities produced outside the United States);

I understand that is the same provision that was in the bill last year?

Mr. LUDLOW. Yes. It has been carried for several years.

Mr. CLASON. Mr. Chairman, that is all. I withdraw the pro forma amendment.

The Clerk read as follows:

Vehicle service: For vehicle service; the hire of vehicles; the rental of garage facilities; the purchase, exchange, maintenance, and repair of motor vehicles, including the repair of vehicles owned by, or under the control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the Postal Service; accident prevention; the hire of supervisors, clerical assistance, mechanics, drivers, garagemen, and such other employees as may be necessary in providing vehicles and vehicle service for use in the collection,

transportation, delivery, and supervision of the mail, and United States official mail and messenger service, \$16,262,900: *Provided*, That the Postmaster General may, in his disbursement of this appropriation, apply a part thereof to the leasing of quarters for the housing of Government-owned motor vehicles at a reasonable annual rental for a term not exceeding 10 years: *Provided further*, That the Postmaster General, during the fiscal year 1943 may purchase and maintain from the appropriation "Vehicle service" such tractors and trailer trucks as may be required in the operation of the vehicle service: *Provided further*, That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in connection with the administrative work of the Post Office Department in the District of Columbia.

Mr. FORAND. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FORAND: Page 47, line 16, after the colon, insert "*Provided further*, That the classification of substitute driver-mechanic created by the Reclassification Act of 1925 shall be adhered to and that no part of this appropriation shall be used for the payment of substitute driver-mechanics at a rate of pay other than the rate of 65 cents per hour."

Mr. LUDLOW. Mr. Chairman, I make the point of order against the amendment.

Mr. FORAND. Mr. Chairman, I ask the gentleman to withhold his point of order.

Mr. LUDLOW. Mr. Chairman, I understand the gentleman from Rhode Island concedes the point of order. I withhold the point of order for 5 minutes.

Mr. FORAND. Mr. Chairman, I realize that the amendment I am offering is subject to the point of order, and I appreciate the courtesy of the gentleman from Indiana in permitting me to speak for a few moments. My reason for offering the amendment is because of an injustice which has been done over a period of years, since 1930, to driver-mechanics in the Post Office service. These driver-mechanics were in the Classification Act of 1925 given a separate and official classification, but in 1930 the Post Office Department and the Civil Service Commission entered into an agreement which ignored the law completely, and had the effect of changing the classification of driver-mechanics to garagemen-drivers, by eliminating examinations for the higher grade, which meant that these men would be paid 55 cents an hour instead of 65 cents an hour. During the last session of Congress the House passed H. R. 2077, which sought to remedy that situation, but another body shelved the bill and no action was taken upon it, excepting that the Post Office Department and the Civil Service Commission again got together and reached an agreement whereby when substitute garagemen-drivers are used as driver-mechanics, they would receive 65 cents an hour during the period actually assigned to that job.

I invite the attention of Members of the House, because I do not care to take up too much time on the floor, to the statement in the hearings at page 386

of Mr. Paul M. Castiglioni, the legislative representative, National Federation of Post Office Motor Vehicle Employees. There they will see this case set out in toto, and I am sure they will be sympathetic if further legislation is brought to the floor on the subject.

The CHAIRMAN. Does the gentleman from Indiana insist upon the point of order?

Mr. LUDLOW. Mr. Chairman, I understand the gentleman from Rhode Island concedes the point of order.

The CHAIRMAN. The Chair sustains the point of order, and the Clerk will read.

The Clerk read as follows:

This title may be cited as the Post Office Department Appropriation Act, 1943.

Mr. MAY. Mr. Chairman, I move to strike out the last word and I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Chairman, within the last hour 3 aged veterans from the Soldiers' Home in Washington have furnished me a petition containing three and one-half pages of typewritten matter from occupants of the United States Soldiers' Home, now having some 1,400 members. They furnished me a petition signed by more than 900 of the occupants of the home and ask that I present to the Congress this, their petition.

It is my information that this property was acquired by the United States Government as a soldiers' home about 90 years ago. It is now proposed by some groups of people in Washington that they take over this property for the purpose of converting it into a housing project under the emergency of national defense—another one of the many things that is being cloaked in the robes of national defense interests in order to do something that ought not be done.

It is my information that the title to this property contains a bar against that kind of procedure; that it contains a restrictive clause which provided that this should not be done. I am not asserting this as a fact, but that is my information from these gentlemen. That provision provides that if and when the property is converted to any other use than the use for which it was intended—that is, a home for disabled soldiers—the title shall revert to the heirs or the estate of the donor or grantor, as the case may have been. Of course, that is a complete statutory bar to taking it except with that condition.

I simply present this petition on behalf of those old soldiers, with the hope that the Members of the House will read it, and if and when there is a proposal in the Appropriations Committee or the House Military Affairs Committee, or any other committee of Congress that due notice will be taken of the right of these dependent defenders of our country.

I ask unanimous consent to revise and extend my remarks and include this petition therewith.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The petition referred to is as follows:

UNITED STATES SOLDIERS' HOME,  
Washington, D. C., February 2, 1942.

To the Congress of the United States:

We, the undersigned, members of the United States Soldiers' Home, respectfully request your interest and protection in behalf of the thousands of veterans throughout the United States who are now entitled to the benefits of this home.

1. This home was established by an act of Congress approved March 3, 1851. By this act the Congress retained under its own jurisdiction the trusteeship for the old, infirm, and disabled soldiers of the Regular Army. The Regular Army veterans, therefore, have no one to look to for protection save the Congress and, in the 91 years of the existence of this home, they have never petitioned in vain. We know that we shall not be denied your protection now. For now we are under attack. Commercial interests are trying, under the guise of national defense, and civilian requirements, to get our property away from us and have proposed to send us "down the river" to land less desirable.

2. At this same time every effort is being made by the Park Commissioners to provide adequate parks and places of amusement for the residents of the District of Columbia. Now, what is this land but a public park? And it was the first such public park in the District of Columbia, maintained without one cent of cost to the taxpayer of either the District or the National Government. The entire cost of maintaining this home is paid by the enlisted man on the active list of the Regular Army. With the exception of the actual living quarters of the members in barracks and hospital, every bit of this land constitutes a public park of which there are all too few in the District. A glance at the record will show the following facilities of the reservation to be available to the public generally:

(a) Over 11 miles of surfaced roads within our gates open for traffic. We pay all costs of maintenance.

(b) Our gates are open 24 hours a day for public traffic, and over 99 percent of the traffic is by the public.

(c) Our grounds are extensively used as playgrounds for children, adults, their families and friends.

(d) In winter we provide sledding hills for children and adults with protection against harm by our own local police.

(e) At Easter we provide egg-rolling lawns for crowds even greater than can be accommodated at the White House because we have a greater expanse of lawn.

(f) Throughout the entire summer we have evening band concerts attended by a large number of residents of the District of Columbia and visiting tourists.

(g) Sightseeing busses have the home on their itineraries and, recognizing it as one of the beauty spots of the District of Columbia, bring a large number of tourists here. Those who appreciate the beauty of the grand panoramic view of the entire city of Washington and the magnificent forest of trees have no wish to see these destroyed to make room for concrete buildings or commercial activities.

(h) We have built and maintain baseball fields for the children of the surrounding community who use it freely, never realizing for a moment that this is not a public park. They think it is.

(i) Howard University is authorized to drill and train its Reserve Officers' Training Corps recruits on designated grounds.

(j) During the school year at least three grades from kindergarten through high school visit the home dairy and chicken farm weekly—frequently coming in busses accompanied by their teachers. College and university students and constituents of Members of Congress, particularly from rural districts, in the city on sightseeing tours visit and inspect the modern dairy and thoroughbred

Holstein herd of cattle, both from interest and educational purposes.

We are very proud of the historic honor which has been bestowed upon this home in the past when the soldiers of the Regular Army here were given the privilege of entertaining, as a summer White House, three Presidents of the United States; namely, Mr. Lincoln, Mr. Buchanan, and Mr. Hayes.

3. We not only live in this community and have our large groups of friends here among the residential population, but as a group we contribute freely out of the meager compensation we receive to every charitable activity in Washington; in fact, we are among the first to be approached when the Red Cross, the Community Chest, the Mile of Dimes, and others need help.

4. It has been estimated that there are now at least 2,000,000 veterans living all over the United States, who by their personal contributions have established their eligibility for membership in this home and who have a paid-up interest in it, even though they do not find it convenient to come here until they get old or need hospitalization. There may be added to this many more veterans of the present terrible combat. For the boys now in service there is nothing too good, and it is our hope that we may keep this home for them also. It may be stated here that of the number of resident members in this home at the present time, over 500 served in the World War; it is our firm belief that the citizens of the United States did not look upon us as parasites 20 years ago, and our brothers in service at this time should not look forward to being called parasites 20 years hence.

5. This home is our pride, the pride of the soldiers of the Regular Army. It has taken the contributions of several millions of them to build and maintain it, and we speak for each and every one of them when we ask you, as our duly constituted trustees, to protect our interests and insure that this institution shall remain forever intact, to be passed on to future old, infirm, and disabled members of the Regular Army in the same splendid condition, or even better, than when we received it from our predecessors.

6. In conclusion, we wish to go on record and assure you that we have the utmost confidence in the officers of this home, and we ask that before Congress ever even considers any proposition to destroy the effectiveness of this home, or its property, that no action be taken until after the officers of this home, its board of commissioners, and, above all, its governor, Maj. Gen. Frederick W. Coleman, have been heard from. General Coleman will speak well for us and for the millions of other veterans who have established an eligibility for this home; we know that he will leave nothing undone in our behalf.

Very respectfully yours,

BENJAMIN I. MOTLEY,

CHARLES M. ARMSTRONG,

HERMAN VEAN,

Committee, Representing Members,  
United States Soldiers' Home,  
Washington, D. C.

The pro forma amendment was withdrawn.

The Clerk concluded the reading of the bill.

Mr. LUDLOW. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOEHNE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 6511, directed him to report



the same back to the House with the recommendation that the bill do pass.

Mr. LUDLOW. Mr. Speaker, I move the previous question on the passage of the bill.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

#### NAVY DEPARTMENT APPROPRIATION BILL, 1943

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight in which to file a conference report on the bill H. R. 6460, the Navy Department appropriation bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### EXTENSION OF REMARKS

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from West Virginia [Mr. RANDOLPH] be permitted to extend his own remarks in the Appendix of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. BUTLER] is recognized for 15 minutes.

#### WARTIME CENSORSHIP AND BUSINESS

Mr. BUTLER. Mr. Speaker, one of the most drastic adjustments businessmen must make in wartime is in the matter of news censorship.

We all appreciate the necessity for concealing troop movements and military operations from the enemy. This is accomplished today by a rigid and all-embracing censorship of press and radio, from Washington. The office of censorship, established last month, is conducting this work with a daily expanding force. Within 2 months, we are told, this agency will have a total of 10,000 men and women on its staff. It will censor all news and radio reports from Washington as well as all international mail, and all telephone conversations across the national boundaries.

The list of news material which may not be printed is a long one, and while this military news does not relate directly to the daily operations of business, it does nevertheless often influence decisions on business policies and programs. In a sense, therefore, businessmen must accustom themselves to operating with only such news as the Government sees fit to give them.

As to general policy in this matter of the news censorship, it may be summed up in the statement that when there is good news available it will be given to the public promptly. This, then, reverses the old maxim, and we must condition our-

selves to the fact that sometimes no news may be bad news.

#### THE BUDGET AND NATIONAL DEBT

Perhaps the question uppermost in mind for the informed citizen today relates to the Federal Budget and the fiscal position of the Nation in the light of the enlarged war demands.

Two great facts stand out as we approach this problem. The first is that a Federal debt of \$110,000,000,000 is now anticipated by the end of the next fiscal year, on June 30, 1943.

The second fact to bear in mind in connection with Federal spending relates to the maximum productive capacity of our national plant and equipment. To put it another way, there appears to be some solid ground for questioning whether the Government can spend as much on industrial production over the next 18 months as has been planned and outlined in recent official utterances and blueprints.

Modern mechanical warfare requires about 18 producers and distributors behind the lines for every active combatant. On this basis, an armed force of 7,000,000 men would require 126,000,000 men and women working behind the lines of battle. Our present employed labor force is about 55,000,000 men and women.

Neither can we neglect the fact that the demands made upon our American resources in this war are tremendously greater, in relation to our total productive capacity, than the demands made upon us in the first World War, 25 years ago.

Our official commitments abroad for food and military equipment and supplies now literally reach around the world—to the Netherlands Indies, Australia, Malaya, China, India, Alaska, Hawaii, South America, England, Iceland, Russia, Ireland, and Africa.

It has escaped general public attention, for example, that Secretary of Agriculture Wickard testified in the last lend-lease hearings, in November, that our food program alone was based upon the assumption that the United States, under lend-lease, would feed approximately one-fourth of the total population of Great Britain, or roundly 10,000,000 people. Thus, aside from whatever assistance we may extend in other quarters, we have already, during the past year, seated 10,000,000 nonpaying guests at the American table, in addition to the 132,000,000 people already there. And during the last month the President has taken steps to send vast quantities of food to Russia.

This obviously calls for a considerable increase in American agricultural production, which, in turn, calls for a prompt increase in farm labor at a time when both the military draft and the defense industries are taking large numbers of young men from the farms—a basic problem confronting American agriculture, as well as all our food industries today.

Meanwhile, we have recent experience to guide us as to the general direction we are traveling in fiscal affairs. Federal revenues for the last 6 months of 1941 were about 35 percent higher than

the same months of 1940. However, total Federal expenditures in the last half of 1941 were 125 percent higher than the corresponding months of the previous year.

During the first 8 years of the present administration, the average Federal expenditure was roughly \$2 for every \$1 of income. But during the last 6 months, expenditures have advanced to approximately \$3 for every \$1 of income. If we assume that the spending program will broaden as much in the next 6 months as in the last, we will soon be spending \$4 for every \$1 of revenue.

Another way to measure this problem is to look at the current Federal deficit. For the last 6 months of 1940 the average daily deficit of the Federal Government was, in round numbers, twelve and one-fourth million dollars. But for the last 6 months of 1941 the average daily deficit was \$40,150,000.

This means that it would require an additional tax load, over and above everything now in effect, of about \$1.30 per day for every family in the United States to put today's Federal spending on a pay-as-you-go basis. The impact of an additional tax load of \$40 per month for every family today is, of course, unthinkable. Yet that is the real measure of our Federal deficit at this time.

In this connection, the so-called Byrd committee recently pointed out that a billion dollars could be saved annually by cutting unnecessary nondefense expenditures. It is, therefore, urgent that Congress and the President immediately give serious consideration to these proposals in order that all possible savings be made in nondefense Government expenditures.

#### NEW TAXES

New taxes likewise present an acute problem for all business. After the new \$5,000,000,000 tax increase enacted last fall, there is now a demand from the President for additional revenues to the extent of \$7,000,000,000 to \$10,000,000,000 a year. The Ways and Means Committee of the House will begin work on this new measure after the 1st of February, and the final bill will probably be enacted in March or April of this year, retroactive as to all income taxes to January 1, 1942.

Certain principles emerge in these discussions as of vital importance to business. The first is that American industry cannot carry the whole tax burden by itself. There is ground for question now whether, in the matter of corporate and individual income-tax rates, our Federal schedules have not already reached the point of diminishing returns. I feel that there is a growing disposition in Congress to seek new sources of revenue rather than merely to pile new rates on top of the present business taxes. There is likewise a growing conviction that business must be allowed to build up and maintain adequate operating reserves. Everyone recognizes that vast reserves will be required sometime to convert our industries back from a war basis to peacetime production. Unless such reserves are piled up out of present income, the period of conversion will find

many industries without the funds needed to keep them going in the transition period back to nondefense operations. Such a situation would produce widespread unemployment and unnecessary suffering, not to mention the tribulations of bankruptcy and reorganization in tens of thousands of plants. Industrial reserves must, to some extent, be protected in new tax legislation.

There is a growing recognition that Congress must look to a general sales tax, or possibly a pay-roll tax, as one important source of new revenues. There is division of opinion as between the Federal Reserve authorities and the Treasury as to which of these measures would contribute most to checking inflation. My belief is that we should not attempt to accomplish general legislative programs through tax measures. Our tax bills should be designed to raise revenues; and if we then have other problems relating to inflation, or other social objectives, they should be handled as general-policy legislation and not disguised as tax bills.

The SPEAKER pro tempore (Mr. PRIEST). Under the previous order of the House, the gentleman from Oregon [Mr. ANGELL] is recognized for 10 minutes.

#### CONGRESS HELPS ITSELF TO PENSIONS BUT TURNS THUMBS DOWN ON PENSIONS FOR OLD PEOPLE IN NEED

Mr. ANGELL. Mr. Speaker, I am opposed to the Congress voting its Members pensions before providing for a reasonable and decent annuity system for all of our old people who have attained the age of 60 years and who are unemployed. Their needs are infinitely greater than is the need of ex-Members of Congress. This is no time for Congress to help itself to pensions out of the Federal Treasury while turning thumbs down on pensions for old people who are in great need.

The bill which was recently passed by the Congress and signed by the President (H. R. 3487, Public Law 411, 77th Cong.), has a provision permitting Members of Congress to elect to come under its provisions if they elect to do so. Thereafter they are required to pay 5 percent of their salary, and upon retiring from Congress, after 5 years' service only and having attained the age of 62 years, will be entitled to a pension, the minimum being about \$47.92 per month, subject to increase for longer service, with an additional provision to permit a Member to pay back contributions which would increase the annuity.

I am advised by the Civil Service Commission that the approximate estimated pensions for ex-Congressmen under this law are as follows:

Service	Age at retirement	Pension
5 years.....	62	\$575, without contribution.
Do.....	62	\$710, with contribution.
10 years.....	62	\$1,100, without contribution.
Do.....	62	\$1,425, with contribution.
15 years.....	62	\$2,125, with contribution.

Believing as I do that pensions for old people should come first, before pensions for lame-duck Congressmen, I voted

against the bill last year providing pensions for Congressmen and I did not vote for it when it was before us this year. The bill passed, H. R. 3487, contains many amendments to the Civil Service Retirement Act and no opportunity was offered for a separate vote against this particular provision providing pensions for Members of Congress. In my judgment, we should take steps at once to repeal the provision of the law authorizing Congressmen to elect to come under its pension provisions. I have, therefore, introduced a bill, H. R. 6508, to repeal the pension provision for Congressmen in this law.

My complaint is not necessarily with the merits of a proposal to permit Congressmen upon retirement to receive a pension under certain conditions, but I believe they should not have priority over our old folks who are in greater need, and I therefore believe that a uniform pension program covering all of our old people, which, of course, would include Congressmen, is more equitable and just and should have first consideration.

As an indication as to how the public generally view this legislation, I include two editorials from the two leading newspapers of my district discussing the problem:

[From the Portland Oregonian of January 31, 1942]

#### THOSE CONGRESSIONAL PENSIONS

It is indicated by a number of letters received from protesting correspondents that an erroneous impression is around that Congress has voted its Members a pension of \$4,000 upon retirement from office. Two letters on the subject are printed today.

Congress did pass an act permitting elective members of the legislative and executive branches of Government to participate, at their option, in salary deductions and the retirement benefits of the Federal Civil Service Retirement Act of 1920. Members of Congress who decide to accept the act will contribute 5 percent of salary to the retirement fund, and receive when and if they retire at eligible age, annual payments graduated according to salary and length of service. The retirement pay would amount to \$4,000 only when the Member had had a service of about 30 years. Twelve years' service (two terms in the Senate, 6 in the House) would entitle the Member, if he had reached the retirement age, to retirement pay of \$1,284; lesser tenure would mean proportionately smaller benefit.

One of the controversial phases in the Senate was over the fact that Members who have already served the minimum of 5 years and attained the age of 62 could retire and obtain the benefits of the act without assessment against back years' salary. In the debate over this particular, Senator BYRD pointed out that if a Member had been in the Senate since 1907 and should retire next January he would be able to draw more than \$4,000 annually from the fund, and would pay only part of 1 year's assessment, or about \$200. This was an extreme illustration but the hypothetical figure apparently is the basis for the impression that Congress granted one and all of its Members \$4,000 retirement pensions.

There are two points that perhaps invite discussion: One is whether latecomers into a mutually sustained retirement system should without cost to them be given the same benefits as those who have been paying into the fund over a period of years; the other is whether Congress should vote its Members into a system which obligates Government itself to contribute up to an even amount with employees when and if employee assessments are not enough to meet withdrawals, and is

moreover a system in which Congress establishes the scales of contribution and distribution.

[From the Portland Journal of January 30, 1942]

#### PENSION PLUMS FOR CONGRESS MEMBERS

A reader of this page wants to know how Representatives and Senators of the Congress pushed themselves under the wire for Federal pensions. Or, to quote the questions more exactly:

"What percent of each pension is to be paid by the pensioners and what part by the taxpayers? In what amounts are the pensions? Will length of time in office govern the size of the pension, and at what age will ex-Congressmen and women be given the income?"

Information at hand is a bit vague about what the Member of the Congress pays and what the taxpayers pay. The Senators and Representatives elect whether they will start to pay about \$41.50 a month into the fund. The inquirer may wish to figure what percentage that is of a \$10,000 annual salary. To retire, a Congressman must be at least 62 and must have served at least 5 years.

The same bill that grants the Congressmen pensions also increases from 3½ to 5 percent the premium deductions of Federal job holders and makes 70 the uniform retirement age for civilian employees.

Yes; it looks as if the Members had been picking plums for themselves out of the Federal cake. But before we close the subject, more information will be sought.

Mr. Speaker, while considering pensions, in my judgment the Congress should at this time take up for consideration the proposal which has been pending before the Congress for some time providing adequate pensions for our old people. I refer to H. R. 1036, generally known as the Townsend proposal. There is a discharge petition on the Clerk's desk which has been signed by a number of our colleagues, but an insufficient number to bring the proposal before the House for consideration. Now with war upon us, with living expenses very materially advanced, and the meager income of these old people, who cannot take part as employees in the war program, being wholly insufficient to care for their needs, the time is ripe that we do something about it. The national income is headed toward \$100,000,000,000 and the Secretary of the Treasury has warned the Congress that we are headed toward inflation unless brakes are applied to excessive spending—all spending beyond bare necessities.

We are in a better position at this time to inaugurate a pension program for our old people than we have ever been before. I therefore urge you, my colleagues, to join with me in the repeal of the pension provision we recently passed for ex-Members of the Congress, and to sign the discharge petition to bring H. R. 1036 on the floor that full debate and discussion may be had on the whole subject of old-age pensions, and a program enacted into law without further delay that will give adequate relief to our old people now so much in need.

[Here the gavel fell.]

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include two editorials.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.



## EXTENSION OF REMARKS

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an article by Malcolm W. Bingay, which appeared in a recent issue of the Detroit Free Press.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

## PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Friday next after the conclusion of the legislative business for the day and other special orders, I may address the House for 10 minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Indiana [Mr. Wilson] is recognized for 30 minutes.

## WARTIME EMPLOYMENT CONDITIONS

Mr. WILSON. Mr. Speaker, I want first to make a statement in regard to such blame as may inadvertently have been cast upon the stenographers employed by Mr. Knudsen. The record of the hearings before the Committee on Public Buildings and Grounds will show that I stated that Mr. Knudsen referred me to another gentleman in the O. P. M. whose stenographer typed a letter three times, a letter consisting of about five lines, before he would sign that letter. That is no reflection on Mr. Knudsen's stenographers, as the record of the committee hearings will show; and I want to absolve them of all blame.

Mr. Speaker, I have before me a special edition of the Evening Star which has not yet appeared on the streets. It contains a picture—a deplorable thing—a picture of employees who have been brought to Washington, who have been here for several weeks, who have been on the pay roll but have not as yet touched a pencil to paper or the key of a typewriter. I want to read you just what appears underneath this picture:

These are employed war workers. This group is only a portion of those crowded into a third-floor room of temporary Building H, War Department, Twenty-second and C Streets NW., today on the War Department pay roll and waiting assignment to jobs. Meanwhile these young employees have no work to do, and many, as can be observed, have nowhere to sit down. Some have been waiting as long as 3 weeks, they told a Star reporter, and have had pay days meanwhile. They report daily at 8 a. m., wait in the crowded room all day or until their names are called, and they are sent to some office.

There is a story on page 1 of this edition of the Star in connection with this item which I wish everybody would read.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I yield.

Mr. STEFAN. Where does the gentleman say this room is located in which this picture was taken?

Mr. WILSON. Building H of the War Department at Twenty-second and C Streets NW.

Mr. STEFAN. Is that just a portion of the people referred to?

Mr. WILSON. That is just a small portion of the employees that were right within hearing distance.

Mr. STEFAN. Does the gentleman know how many of these young people have been brought here from the 48 States of the Union to wait around with nothing to do? How many of them there are; would the gentleman say there are several hundred?

Mr. WILSON. Yes; I would say there are more than a thousand in Washington now.

Mr. STEFAN. That does not speak very well for the efficiency of the personnel organizations in some of our departments. The gentlemen should take this up and get some explanation of it. It is a horrible thing.

Mr. WILSON. Of course, this is preliminary to asking the Congress for a committee to investigate this matter. However, since my initiation of this move, several Members of Congress who may at times be demagoging a little have used this particular critical situation to poke fun at my effort to do something about the situation in Washington.

Mr. HOFFMAN. Will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Five or six of us went down to Leon Henderson's office, the Price Administrator, and out in the main office there were two fine looking young ladies sitting. One was smoking and reading the paper and the other was fixing her nails and lips. We waited out there for 5 or 10 minutes and during all that time they did not do anything. I do not know whether they were waiting for a bicycle ride or something else.

Mr. WILSON. The gentleman has not seen half what I have.

Mr. HOFFMAN. I have too much work to do.

Mr. WILSON. I get down to the departments sometimes and I have to go back to my office and walk the floor, because I just cannot tolerate it. We are trying to win a war, and every dollar should produce its worth in "war effort."

Mr. HOFFMAN. You bring down a secretary or a stenographer who is competent and who is in the habit of working, and you let them associate with some of these Federal employees for 3 to 4 months and you will have a job on your hands to keep those folks that we brought from home from joining this movement for shorter hours, less work, and more pay.

Mr. WILSON. The papers have known about this for a long time, and I feel that they have been very kind toward me in my effort to uncover this thing. In my opinion, they are grasping the opportunity at this time to help me uncover all of this that I can. At least I have found them absolutely cooperative.

I have cut down a 2-hour speech to 30 minutes, and unless I can get additional time I will not much more than get started. I have some letters here confirming the picture in the Evening Star,

and from some of the very girls who are in that picture. I want to read you what they say:

Your statement accusing Government girls of inefficiency has been printed in almost every paper in the United States. It is true that time is being wasted, but I'm afraid you placed the blame on the wrong people.

I do not place the blame on those girls and I want that definitely understood. This is no fault of any Government worker in Washington. The fault is with the administrators.

Do you realize everyone in the United States now thinks that we are a bunch of lazy, inefficient goons?

No; I do not think so. I hope it is not true, because I am going to try to uncover the real people back of this, those who are responsible for this condition.

Eventually we will deteriorate to just that, but you have accused us too soon. I accepted the position and started to work for the War Department January 23. Every morning I have reported promptly for work at 8 a. m., incidentally with my make-up on, and I have had my breakfast.

Good.

My title is junior stenographer, and I have not seen a typewriter or even had a pencil in my hand. In short, there is nothing for me to do but write letters to my boy friend and read movie magazines. The people in charge tell me to not worry because I am being paid just the same as if I were being useful. Not one single bit of work has been assigned to me.

I wish I had time to read the whole letter.

Mr. STEFAN. Will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Nebraska.

Mr. STEFAN. Those people come before the Committee on Appropriations frequently, and they are coming before us now in connection with these various supply bills, people from the various departments, justifying appropriations for various things, especially personnel. I hope the gentleman is not picking out the War Department personnel especially in this statement that he is making.

Mr. WILSON. Absolutely not.

Mr. STEFAN. If the gentleman's resolution to investigate these conditions passes, and if he happens to be a member of that committee, I hope he will make a special investigation as to the efficiency of the personnel organizations in the various departments of our Government, because if the personnel divisions are not efficient, the conditions which the gentleman has appraised the Congress of today will continue.

Mr. WILSON. I thank the gentleman for that observation.

Mr. CRAWFORD. Will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think the testimony given before the Senate committee will show that the contractors have testified that literally thousands of so-called carpenters were hired to go on to these jobs and were permitted to go out and sleep all day, while continuing to collect

their full day's wages. That is in that part. The gentleman finds the trouble in this part. It does not make any difference what part of Government you go into today, you will find this same misdirected or unused wasted labor. When the gentleman gets his investigation started, he will certainly have some job on his hands to run it all down.

Mr. WILSON. I do not think I am capable of that job; in fact, I know I am not, but I am going to lend every ounce of ability and effort I have toward that end. I am not capable of carrying on an investigation such as is needed at this time.

Mr. CRAWFORD. The gentleman is just as capable as any of the rest of us.

Mr. WILSON. I thank the gentleman.

Mr. CRAWFORD. The thing snowballs so fast that billions of dollars will be wasted that will go into the cost of the war.

Mr. WILSON. You remember France fell. Today we are to some extent carrying on in the same way France was carrying on behind the Maginot line just before she went down. Unless we get a dollar's worth of effort for every dollar spent, before we see the end of this war we shall be bankrupt; we shall have lots of workers and lots of houses and lots of money spent in that connection, but there will be none left to make guns and tanks and planes to win this war.

Mr. MCGREGOR. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Ohio.

Mr. MCGREGOR. The gentleman is a member of the committee before which this morning we heard a request for additional housing facilities. The statement was made by a number of department heads that there would be approximately 4,000 to 5,000 people coming in each month for the next year, in addition to those now here. I am wondering if the gentleman in his investigation has checked the various departments as to whether or not those requests are outrageous.

Mr. WILSON. I have not made a thorough check but, on the basis of some things I have discovered, I am inclined to agree with my good friend from Ohio that many of these requests for additional help are outrageous.

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 30 minutes.

The SPEAKER pro tempore [Mr. PRIEST]. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. If the gentleman will yield, may I say that I come from Ohio. In Cleveland we have a Democratic newspaper, the Cleveland Plain Dealer. Last Sunday the Plain Dealer had this to say:

President Roosevelt is quoted as saying that there are too many unneeded persons in Washington, and he urges everyone in the Capital to ask himself: "Are you a parasite?" The President's point is well taken. But he himself could help alleviate the crowded

condition in Washington by abolishing many of the bureaus and agencies which are not needed to win the war, especially those who continue to promote the war against the American way of life.

They are the true parasites in Washington. So long as they remain, the Nation cannot be united as it should be for the greater effort. So long as they remain, we are in danger of losing the very thing we are fighting for in Asia and Europe and off the coasts of America.

I know the gentleman might have slipped in talking about a few of the cuties in Washington.

Mr. WILSON. Let me correct that statement. I have not made any reference whatever to any cutie in Washington except, perhaps, for one. I will admit I made one reference to the girl who had to type a letter three times before the one who dictated the letter would sign it. I said it may be that she was just a little bit woozy. However, I do not want to condemn even that girl for a single instance.

Mr. BENDER. I read in a Washington paper an article by a very nice-looking writer criticizing the gentleman for recommending a curfew. I am sure the gentleman did not intend to have a curfew for Washington girls.

Mr. WILSON. Certainly not; but I think the newspapers and writers have been very cooperative in getting this matter brought to light. I appreciate everything they have done. After all, you have to have a story, and it has to be a human-interest story, so people will read it. The writers have done a splendid job. I am guilty of some of the things they say I said, and maybe I can accept responsibility for all of them when I read about them.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Wisconsin.

Mr. KEEFE. May I suggest to the gentleman that a lot of us are here to hear what the gentleman has to say. Will the gentleman now proceed without yielding for a few moments and give the Members the benefit of the information he has in his prepared speech?

Mr. WILSON. Thank you; I will proceed shortly. I have another letter here which contains this statement:

Some seem to think that the reason for more employees is that the "boss" has a better chance for promotion with a greater number of employees under supervision, and at higher salaries; also that this holds true with the one a step higher than the "boss."

I have been told on innumerable occasions by these girls—and if anyone wants to challenge this statement, I will try to bring some of them here to testify—that they have been told by their boss to let the mail pile up on their tables and accumulate, and for them to appear to be busy in order that the bosses can keep more of them on the pay roll and hold his job and maybe get an increase in salary.

I was called this morning by a lady who will bear this out. She said, "Mr. Wilson, I will give up my job and testify to this information if you need it. Yesterday the boss came down to me and

said, 'You know, I cannot get a thing done up in my department. The supervisors and the clerks are all knitting.'"

It seems that the girls in that office get rather disgusted over the set-up, but they do not have much choice about the matter; that if they reported it in any way it would just mean trouble for them.

Mr. CREAL. Mr. Speaker, will the gentleman yield for a question?

Mr. WILSON. I yield.

Mr. CREAL. In the suggested curfew for Government clerks or workers, why does not the gentleman include Members of Congress also?

Mr. WILSON. The gentleman will have that privilege.

I have another letter here that says:

I certainly agree with you that some deplorable conditions exist in the Government offices in Washington. Your remarks to the effect that there are more workers than work in some of the Government offices are daily being confirmed.

From a number of employees of the Reclamation Bureau comes reports of similar tone. At least this was the type of report coming from the stenographic office of that agency a month or two back. Also, reports were that work was manufactured to try and keep the girls busy, and the girls were instructed to make believe they were busy when anyone outside of the office came in.

I cannot read you half of these letters that I have here, and a number of people have come to me and testified before me. May I quote from another letter:

Congratulations, Old Boy! It takes a Hoosier to bring out the truth.

I have been employed in the War Department, Procurement Division, and I have seen many injustices. I have no one to blame but the chief clerks.

And that is exactly where the blame ought to be placed immediately.

The new girls come in and without exaggeration 70 percent of the girls have nothing to do all day.

Now, Members, that is the Procurement Division. Go down and investigate. You have a job here and I have given you the names. Then further the letter says:

We may be lucky to get one letter a day to retype and we may not. But we are told to write personal letters or do something else to appear busy.

I am not going to read any more of that, and here is one that I am not going to take up at all.

This curfew suggestion came up incidentally on some remarks on this bill and we initiated a lot of publicity. I received a poem Monday morning from a girl employed by our Government and I answered it that same day. I want to read you these poems. I believe they explain a lot.

ODE (?) TO MR. WILSON

I read with amazement  
That failed to amuse,  
Your untimely comments  
On women's curfews.

'Tho I tried to be fair,  
The more that I read  
The more I was sure,  
You were sadly misled.



And so I decided  
 'Twas only your due,  
 That someone like me,  
 Should broaden your view.

The incentive to show  
 Efficiency plus,  
 Is killed in the struggle  
 To get on a bus.

Nor can I believe that  
 A ten-hour day  
 Leaves Government girls  
 Still ready for play.

Even women must eat  
 (It's sad but it's true),  
 And when we get home  
 There's the cooking to do.

So how can you think  
 There is time or ambition  
 To gad late at night and  
 Get out of condition?

And, besides—  
 Since Washington women  
 Outnumber the men,  
 Just who is to keep us  
 All out after ten?

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I am sorry; I cannot yield.

Here is my reply.

Young lady, I'm sorry you misunderstood! (However, it seems to be all to the good.) I was not impatient with girls who are working.

My patience is short with those who are shirking.

In winning a war, our hearts must be in it, So toll we must, every day, every minute. I mentioned your breakfasts, and caused quite a titter.

But if you will listen, you'll feel so much fitter.

Early to bed, and early to rise  
 Will help your complexion, and brighten  
 your eyes.

And coffee and rolls in your tummies by  
 nine,  
 Will make you feel healthier, frisky, and  
 fine.

I'm not an old ogre who spoils girls' fun,  
 I just see a job that has got to be done.  
 The least you can do is to carry your share,  
 When our boys are at work on the sea, land,  
 and air

So, here's to a curfew, and feeling your best.  
 The boys in the service will settle the rest.  
 If you will agree to turn in at "taps",  
 Your Uncle will check off the Germans and  
 Japs.

Mr. Speaker, I suggest a 10-point plan to alleviate the congestion in Washington and to promote the national defense by establishing more decent living conditions for Government workers.

I have been grossly maligned and highly praised, too, for the suggestion which I made last Friday in a committee meeting of the Public Buildings and Grounds Committee, that perhaps we should adopt a curfew system for getting the inefficient Government girls in bed and thus guarantee that they could be on the job on time, fed, and ready for the kind of production that is required of us all in our effort to help win this war. Of course, as always, the whole truth would be tiresome and mundane, but that 10-o'clock curfew statement got attention, and I am perfectly willing that we all have a lot of laughs, and that I be called everything from a "grandpa" to a hick. Yes; anyone can go even

further than these if he, or in most cases she, chooses; if it will wake up only 50 percent of the army of workers now in Washington to the fact that some people are dragging their feet in our parade toward victory.

Let us not, any of us, be foolish enough to think that I suggested or would support a 10-o'clock curfew regulation just for the fun of making little girls cry, nor am I shortsighted or uninformed enough to think that such a personal matter could be legislated. I think that the general awareness of a condition that would provoke such a statement is all that is needed to get the results that Uncle Sam wants from his nieces and nephews who have the courage to reach for a pay check which, in some cases, they know they have not earned.

There is also another point in this connection which I should like to clear up. A few persons have inferred that I was making an attack on the moral character of those girls who work for the Government. Nothing could be farther from the truth. I have never thought of such a thing. I have never made such a statement or insinuation, and furthermore, I am certain that the truth is quite the opposite. Those men and women who work for Uncle Sam are, in my opinion, among the cream of the Nation's crop, mentally and morally. Those few who have attempted to read such derogatory remarks into the true record of my statements have been talking on levels beneath the dignity of refutation.

At the outset, may I say that the problem before us is of sufficient magnitude as to challenge the best of each and every one of us. That problem is the winning of this war. Beautiful words about ourselves, bold remarks hurled at the enemy, or promises of what will be done, can contribute little toward our objective. We must have results and I feel that we owe it to the boys in uniform to get results in the production of mechanized equipment with which they are going to defend their lives and ours. We will not let them down.

We have been hearing a lot about blood, tears, toil, and sweat, and now it is time we were making our contribution. The greater and the sooner our contribution the less will be the demand on our brothers, sons, and fathers now fighting on a dozen fronts in a world torn by the horrors of war.

The subject I am about to discuss came up in connection with an authorization to appropriate \$50,000,000 for defense housing and facilities in the District of Columbia. Therefore, I believe I should say just a few words about appropriations already made for vital defense needs.

The Seventy-seventh Congress has set a record, not only for the United States but for the world, in the appropriation of money. On Friday, January 23, Congress passed the largest appropriation bill in the history of the world, twelve and one-half billion dollars for defense purposes. Tuesday, January 27, that record was broken when the House of Representatives passed a new appropriation bill amounting to seventeen and one-half billion dollars, authorizing in

addition something like three and one-half billions in contract obligations which, if used, would make the appropriation over \$20,000,000,000.

It may help you to understand the size of these appropriations to remind you that during the first 100 years of our national history, during which time we fought a war with England, the Mexican War, 4 years of Civil War, and the various Indian wars, all appropriations by the Federal Government totaled only \$9,000,000,000. Since July 1, 1940, Congress has appropriated over \$107,000,000,000 for Army and Navy purposes. This is equal to about \$900 for every man, woman, and child in the United States, and the end is not yet.

So, as far as appropriating money for national defense and for the war effort is concerned, this Congress has gone all out. Now, it is up to those of us who are working for the Government and for the taxpayers to go all out in our efforts to get the maximum amount of good out of every dollar spent. Yes; and what is more important, it is our God-given, patriotic duty to strain every muscle and squeeze 60 minutes out of every hour in our efforts to provide those men in khaki and blue, who are fighting our battle, with the necessary implements to protect their lives and our Republic. The sweat-streaked, battle-scarred men in the hellholes of Luzon Island are not working from 9 to 5. They are on duty with their lives, 24 hours a day, at \$21 a month. If we, safe in the confines of our free Republic, should ever entertain the thought of doing less than they, we should not be worthy of their protection.

The District of Columbia is already crowded to overflowing. Your public facilities are overtaxed by the sudden influx of workers. There are not sufficient living quarters for those already here and yet we are told that within the next few months we must expect several thousand more defense workers in Washington. I am told that in the month of December, the War Department alone, hired 3,577 clerical employees in Washington, and the enormous rate of hiring is being continued. Since Pearl Harbor, it is estimated that 7,500 new employees have been brought here. From these figures and from the fact that there are more to come, it should be apparent that your problem is not only tremendous but acute. The Federal Government must and will help solve this problem, but it is the duty of Congress and my Committee on Public Buildings and Grounds, in particular, to see that it is solved with the minimum amount of trouble and expense to the taxpayers.

It is with that thought in mind that I am attempting to awaken you Government workers, men as well as women, to the urgent need for the utmost efficiency in the dispatch of your duties.

It is my contention that if those of us who are already here will do a full and efficient day's work; if we will not occupy any more living space than is necessary, and if those departments of the Government not necessary to the prosecution of this war are reduced and the personnel placed in defense jobs, we can greatly reduce the number of additional workers

needed and save our Government thousands, perhaps millions, of dollars in the building of houses and facilities.

In the solution of this problem I would like to submit to you a 10-point program which if diligently carried out, will, I believe, meet with the approval of most of you, add greatly to the efficiency of our Government, and contribute immeasurably to the successful prosecution of this all-important war effort.

First. I would suggest the removal of employees from overstaffed departments. This particularly applies to peacetime departments. I have been informed by many patriotic employees that there are many Government departments where the work could easily be done in a small fraction of the space now used and by a small fraction of the staff now employed. These workers have told me on different occasions that the days were long and tiresome to them sitting around with nothing to do. Also, they have said that their supervisors wanted to keep them on the pay roll for fear of losing their jobs or having their salaries cut. I agree with my good friend and colleague, Congressman RANDOLPH, of West Virginia, that most of the employees are 100 percent patriotic and would rather be contributing their all to national defense. Several employees have testified that their bosses have instructed them to let their work pile up so they can appear busy at all times and have something to do. In this case, I would say the workers are more loyal to their country than their bosses are. I have letters in my mail which will bear me out and should demand an immediate investigation. I am sure that these letters only disclose conditions which are equally true in many other instances.

Second. I would suggest the removal of inefficient employers and employees, and promotion on the basis of merit only. Again, I agree with my colleague, Congressman RANDOLPH, that most girls and boys are patriotic and efficient. It is not these who object to my criticism of late. Not at all. They, being patriotic, want to see our national defense program go forward with maximum efficiency. They, being patriotic, want to give their all in effort that their loved ones on the battlefields all over the world may have those things so badly needed to defend their lives and ours. Being patriotic, they are demanding the same efficiency of those less interested, regardless of what the cause may be. They are demanding a dollar's worth of war effort for every dollar spent.

So, you can see that those people who are crying are those on whose toes such a suggestion treads, even though it be lightly. It is only the parasites who object to a program of efficiency and economy. It is now, and will be throughout the existence of man, the human tendency to do little more than is demanded of us. Therefore, I do not blame the girls altogether for "working" the Government, nor those who come to work sleepy-eyed, without "their breakfast down," or their "make-up on." Whenever you find a group of girls, or boys for that matter, you will find a few of this type. This does not mean, in any sense, that they are not patriotic. It merely

means that their employers, their department supervisors are inefficient and are not able to handle this administrative problem.

Third. I would suggest that preliminary training for defense workers be done in some nearby city. I do not see why this could not be done away from Washington as well as here. Probably our business colleges could be moved to a nearby city and given the problem of training Government employees. At present, thousands are being brought here to add to an already overpopulated and overcrowded area.

Fourth. I would suggest that there be a doubling up of shifts. If we could use our office space for two or three shifts a day instead of one, we would not need to put so much money into additional office space and equipment.

Fifth. If we would remove the parasites from the District as the President has suggested, we would have room for those people whom we really need and who are willing and able to do a full and productive day's work. Right here I would like to suggest my definition of a Washington parasite. It is any individual sapping the lifeblood of our Capital City, our National Government, and our defense program, without giving the equivalent in war effort. This means all those people not doing defense work or rendering a service to defense workers.

Sixth. I would suggest that all available space in private homes and apartments be made available to defense workers. This should apply to Members of Congress as well as to others. I am sure that many thousands of workers could be comfortably cared for in the unused portions of some of the lavish apartments now being wasted by the parasites.

Seventh. I would suggest that the Government commandeer all clubhouses not being used for defense purposes and utilize them for office space or to house defense workers.

Eighth. I would suggest that the long-delayed mass decentralization of Government agencies be put into effect. It is generally agreed that there are many agencies that could operate just as efficiently somewhere outside Washington. This would make available to national defense agencies some much-needed office space. Also, the workers could be transferred to defense work if they wished to remain in Washington. Thus, we would eliminate part of the necessity of bringing in more. However, if these workers preferred to go along with their old agency, their living quarters and other facilities would be available for those coming into the District.

Ninth. I suggest that all available help now living in Washington be urged into service or asked to leave the city. By this suggestion, I mean use every wife or husband of a necessary worker, and the calling back to duty of retired civil-service employees. This would save the need of bringing in someone else and would be most valuable in conserving living quarters. I really believe that this suggestion would take care of a sizable portion of our problem.

And last, I recommend a substantial building program. The tearing down of the semislum section just to the east and

south of the Capitol, and the wholesale building of small, but convenient, apartments which would house only people working on Capitol Hill. Also the building of a similar section in the south and west for the convenience of workers in the downtown agencies. Make these buildings real additions to the beauty and utility of our Capital City, and not the eyesores of which you are probably thinking. We could encourage the people working in a certain area to live in an adjacent area, and thus we would have greatly alleviated our traffic problem. It seems perfectly sensible to me that people would want to live near their work, and not have to criss-cross the city morning and night and add hours to their working day getting back and forth.

After all, we are at war. That is no fault of yours, or of mine, or of any other good American citizen. We place that blame directly on the Axis Powers, particularly on Hitler, and immediately on Japan, for her dastardly sneak attack. We were at one time divided on the question as to how to preserve peace, we are now 100 percent united in the fact that we must fight for peace. Just how long, how bloody, or how costly this struggle is going to be, we do not know, and we are not going to argue. Whatever the price, we must pay it for a free Republic.

In conclusion, and back to the bone of contention, the only regulation that might come of this suggestion would be a more or less self-imposed honor system curfew for the duration. Under this system, a Government worker, man or woman, who turned in a shabby day's work, or in other words, did not earn his or her salt, would be handed a small card by the supervisor of the department bearing the word "parasite." The employee receiving such a card would know by that reminder that he or she would be expected to improve his work or at the end of a set period of time he would receive an appropriate cut in salary, or be demoted from his present duties.

The demand that would be made by this method for each person to carry his share of the load, would step up our production in offices and on typewriters the same as production has been stepped up on assembly lines and on punch presses.

Yours for victory, and—remember Pearl Harbor.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ARENDS, on account of death in family.

To Mr. FOLGER, indefinitely, on account of brother.

#### EXTENSION OF REMARKS

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks on one topic, and on another to include a statement from the Tax Commission of the State of Washington.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.



The motion was agreed to; accordingly (at 4 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 4, 1942, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Subcommittee on Public Health of the Committee on Interstate and Foreign Commerce at 10 a. m., Wednesday, February 4, 1942, to hold a hearing on H. R. 5674, a bill to protect the public health by the prevention of certain practices leading to dental disorders and to prevent the circumvention of certain State laws regulating the practice of dentistry.

##### COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10 a. m., Wednesday, February 4, 1942, continuation of hearings on H. R. 1844.

##### COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

There will be a meeting of the Committee on Expenditures in the Executive Departments on Wednesday, February 4, 1942, at 10 a. m., to consider all bills now pending before this committee.

##### COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Thursday, February 5, 1942, at 10 a. m., on H. R. 6020, granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Atlantic seaboard and creating the Atlantic States Marine Fisheries Commission.

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Thursday, February 12, 1942, at 10 a. m., on House Joint Resolution 263, to provide decorations for outstanding conduct or service by persons serving in the American merchant marine.

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Tuesday, February 17, 1942, at 10 a. m., on H. R. 6503, to extend and amend certain emergency laws relating to the merchant marine, and for other purposes.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1368 A letter from the Archivist of the United States, transmitting a report on a list of papers recommended to the Archivist for disposal by certain agencies of the Federal Government; to the Committee on the Disposition of Executive Papers.

1369 A letter from the Secretary of the Interior, Chairman of the Migratory Bird Conservation Commission, transmitting a report of the Migratory Bird Conservation Commission for the fiscal year ended June 30, 1941

(H. Doc. No. 607); to the Committee on Agriculture and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAY: Committee on Military Affairs. House Resolution 162 (77th Cong., 1st sess.). Resolution authorizing the Committee on Military Affairs and the Committee on Naval Affairs to study the progress of the national defense program; without amendment (Rept. No. 1735). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. S. 1945. An act to authorize the Commissioners of the District of Columbia to acquire, operate, and regulate public off-street parking facilities, and for other purposes; with amendment (Rept. No. 1736). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 2182. An act to provide for temporary promotion in the Army of the United States of officers commissioned in the Air Corps or assigned to duty with the Air Corps; with amendment (Rept. No. 1737). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLE of New York: Committee on Naval Affairs. H. R. 6496. A bill to authorize the appointment of commissioned warrant and warrant officers to commissioned rank in the line and staff corps of the Navy and Marine Corps, and for other purposes; with amendment (Rept. No. 1738). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. House joint resolution 276. Joint resolution to authorize the President of the United States to render financial aid to China, and for other purposes; without amendment (Rept. No. 1739). Referred to the Committee of the Whole House on the state of the Union.

Mr. SCRUGHAM: Committee of conference on the disagreeing votes of the two Houses. H. R. 6460. A bill making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1943, and additional appropriations therefor for the fiscal year ending June 30, 1942, and for other purposes (Rept. No. 1740). Ordered to be printed.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER:

H. R. 6521. A bill to extend certain benefits of the Soldiers' and Sailors' Civil Relief Act of 1940; to the Committee on Military Affairs.

By Mr. WHITE:

H. R. 6522. A bill to amend an act entitled "An act to prevent speculation in lands in the Columbia Basin prospectively irrigable by reason of the construction of the Grand Coulee Dam project and to aid actual settlers in securing such lands at the fair appraised value thereof as arid land, and for other purposes" (act of May 27, 1937, 50 Stat. 208), and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. SASSCER:

H. R. 6523. A bill to allow an additional period of 6 months in which certain members of the Officers' Reserve Corps and the Enlisted

Reserve Corps of the Army or their beneficiaries may make claim for benefits under the act of July 18, 1940; to the Committee on Military Affairs.

By Mr. SECREST:

H. R. 6524. A bill to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931, as amended; to the Committee on the Library.

By Mr. VOORHIS of California:

H. R. 6525. A bill to provide compensation for personnel sustaining disease or injury while performing civilian defense duty, and to provide indemnities to the beneficiaries of such personnel in certain cases; to the Committee on the Judiciary.

By Mr. BRYSON:

H. J. Res. 277. Joint resolution to name the new Army air base at Greenville, S. C., the John J. McSwain Air Base; to the Committee on Military Affairs.

By Mr. COOLEY:

H. Res. 428. Resolution creating a Select Committee to Investigate the Activities of the Farm Security Administration; to the Committee on Rules.

H. Res. 429. Resolution to provide for expenses of investigation authorized by House Resolution 428, a resolution creating a Select Committee to Investigate the Activities of the Farm Security Administration; to the Committee on Accounts.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2362. By Mr. COFFEE of Washington: Petitions of Richard B. Ott, commander; Fred M. Fueker, department adjutant of the Department of Washington, American Legion, in behalf of the department executive committee, Department of Washington, American Legion, urging that the Office of Civilian Defense be administered through and under the jurisdiction of the War Department; also a resolution asserting that Gen. Douglas MacArthur and his heroic troops have gained invaluable time for the United Nations and for what must be our ultimate effort; and, therefore, expressing deep admiration for the valiant and heroic stand of General MacArthur and his men; also resolution alleging that the best defense is a good offense; insisting that too much emphasis on defense measures tends to take the public mind from what must be America's primary objective; and, therefore, asserting we should encourage the suspension for the duration of all thought of self or group interests, that we should work for the development of America on the offensive, and that our fighting forces should be equipped, supplied, and protected in taking this war to the enemy; to the Committee on Military Affairs.

2363. By Mr. KRAMER: Petition of the board of supervisors, Los Angeles County, Calif., urging the Federal Government to provide housing and sustenance for Japanese residents of the county who would otherwise become charges of the county, and to transfer Japanese aliens inland to keep them away from vital industries on the coast; to the Committee on the Judiciary.

2364. Also, petition of the Assembly and the Senate of the State of California, respectfully urging the President of the United States, the Congress of the United States, the Secretary of the Interior, the Commissioner of the United States Bureau of Reclamation, the Director of the Office of Production Management, and the Chairman of the War Production Board, to provide immediately for the completion of the

all-American canal to Coachella Valley at the earliest possible date; to the Committee on Appropriations.

2365. Also, petition of the Assembly and the Senate of the State of California, urging the Government of the United States, through the appropriate agency, to make an immediate survey of the best available route to bring water from the Colorado River to the city of San Diego for the purpose of insuring adequate water supply which is vital to the war program and to the welfare of the Army, Navy, and Marine Corps stationed in the Nation's most vital defense area; to the Committee on Rivers and Harbors.

2366. Also, petition of the Assembly and the Senate of the State of California, requesting the Federal employees retirement system initiate and the Congress of the United States enact legislation which will provide for employees of the State of California, who for years have been employees of the State, and who earned retirement rights by their service with the State, and who, by Presidential order, were made Federal employees; to the Committee on the Civil Service.

2367. Also, petition of the Assembly and the Senate of the State of California, respectfully urging Congress and the President of the United States that they consider the necessity of the food industry during the war effort and that proper steps be taken to insure the industry that the draft law will not use up the personnel of the industry; to the Committee on Military Affairs.

2368. Also, petition of the Assembly and the Senate of the State of California, respectfully urging the President and Congress to amend the Federal Social Security Act by repealing amendments of 1939 thereto which prevent any State in the Union from allowing any additional income to the aged and to children beneficiaries thereunder; to the Committee on Ways and Means.

2369. Also, petition of the Assembly and the Senate of the State of California, expressing its desire to do everything possible in the interest of successful military offensive by the United States of America, and urging Congress to provide necessary funds for the construction of needed defense projects relating directly to the Sacramento River and tributaries; to the Committee on Appropriations.

2370. Also, petition of the Assembly of the State of California, requesting the President of the United States and the Congress of the United States to cause an immediate study of the defense project known as the Los Angeles-Long Beach Harbor Breakwater, such study to be made by appropriate defense authorities, and to consider favorably the speeding up of said project; to the Committee on Military Affairs.

2371. Also, petition of the Assembly and the Senate of the State of California, urging the President and Congress to consider and enact such amendments to the Federal Social Security Act as may be necessary to restore to the recipients of old-age assistance their former privilege of earning not more than \$15 per month without deduction from the amount of old-age assistance which they would otherwise receive; to the Committee on Ways and Means.

2372. Also, petition of the Assembly and the Senate of the State of California, urging the President and Congress to take such steps as will give the gold-mining industry sufficient materials, and priorities thereto, to permit its continued operation through the war emergency; to the Committee on the Judiciary.

2373. By Mr. ROLPH: Resolution of the California Retail Grocers and Merchants Association, Ltd., San Francisco, Calif., opposing the plan advanced by the Social Security Board for the taking over of the California

Unemployment insurance program; to the Committee on Ways and Means.

2374. By Mr. SMITH of Wisconsin: Resolution of the executive council, Wisconsin Bankers Association, and midwinter conference, Wisconsin Bankers' Association, that the President of the United States and each of the Senators and Representatives in Congress from Wisconsin be petitioned that proposed legislation in regard to Federal-State relationship in unemployment compensation to the end that 51 separate State and Territorial laws be destroyed and 1 Federal law substituted, to be deferred for the duration of the war; to the Committee on the Judiciary.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 4, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, grant that our sympathies, supplications, and our sacrifices may be an inspirational might to our defenders on land, sea, and air; defend the sanctities of our faith with the assurance that our hope in them is neither a delusion nor fiction. As we lift our souls to Thee, we pray that their hearts may not be troubled, neither let them be afraid. For life's transitions, for its varying experiences, and for the path they need not tread alone, be their comfort beneath that guardian Rock where all commotions rest.

The recurrent sense of human frailty feelingly reminds us of the danger in which we walk. We pray to be made stronger, possessing the truth, clearly discerned, with our souls anchored to constant and unmovable foundations. With contrite hearts and with that grace which fortifies the soul, we beseech Thee that we may have an urgent determination to remember the blessing of sanctified duty. In our dear Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 257. An act for the relief of Edna La Blanche Gillette;

H. R. 1903. An act for the relief of Reuben Owen;

H. R. 1914. An act for the relief of the Coppel Coal Co.;

H. R. 2372. An act for the relief of Paul E. Cook;

H. R. 2376. An act for the relief of Ethel Ray Sowder;

H. R. 3118. An act for the relief of the State compensation insurance fund of California;

H. R. 3403. An act for the relief of Louis M. McDougal;

H. R. 4182. An act for the relief of Mollie S. McHaney;

H. R. 4436. An act for the relief of Mrs. Bertha M. Smith;

H. R. 5046. An act for the relief of Mr. and Mrs. R. L. Saunders;

H. R. 5085. An act for the relief of Esco Wood;

H. R. 5164. An act for the relief of Arthur W. Jorgenson, and the legal guardian of Robert R. Jorgenson, a minor;

H. R. 5291. An act for the relief of Helen Rauch and Max Rauch;

H. R. 5390. An act for the relief of G. T. Elliott, Inc.;

H. R. 5541. An act for the relief of Joseph Keeney;

H. R. 5701. An act for relief of the accounts of Lt. Col. Joseph M. Kelly, United States property and disbursing officer for Kentucky;

H. R. 5767. An act for the relief of A. Paul Johnson; and

H. R. 6356. An act to amend the act approved October 24, 1941, entitled "An act to authorize the Secretary of the Navy to provide salvage facilities, and for other purposes" (Public Law No. 280, 77th Cong.), so as to remove the limitation on the sum authorized to be appropriated annually to effectuate the purposes of the act.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2183. An act for the relief of Hiram O. Lester, Grace D. Lester, and Florence E. Dawson;

H. R. 2712. An act for the relief of the Branchland Pipe & Supply Co.; and

H. R. 2780. An act for the relief of O. C. Ousley.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 984. An act for the relief of Mr. and Mrs. James C. Loard;

S. 1801. An act for the relief of Eugene Jackson;

S. 1820. An act for the relief of Jerry McKinley Thompson;

S. 1898. An act for the relief of the heirs of Mrs. Nazaria Garcia, of Winslow, Ariz.;

S. 2002. An act for the relief of Donald William Burt;

S. 2066. An act to make permanently effective the act regulating interstate and foreign commerce in petroleum and its products;

S. 2198. An act to provide for the financing of the War Damage Corporation to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes; and

S. Con. Res. 25. Concurrent resolution authorizing the printing of additional copies of the Report of the Commission Appointed by the President of the United States To Investigate the Facts Relating to the Attack Made by the Japanese Armed Forces Upon Pearl Harbor in the Territory of Hawaii, on December 7, 1941.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2112. An act authorizing overtime pay for certain employees of the National Advisory Committee for Aeronautics.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agency:

1. Department of Labor.
2. Department of War.